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The Vitality of American Business

By ALFRED PEARCE DENNIS, of the United States Department of Commerce

The British Labor Party in Power

By P. W. WILSON, Former Member of Parliament

How to Plan Your Life Insurance

By JOHN A. STEVENSON, Vice-President of the Equitable

Mass Buying and Mass Selling

By EDWARD A. FILENE

Payroll Savings at Work

By JOHN F. TINSLEY, Vice-President, Crompton and Knowles Loom Works

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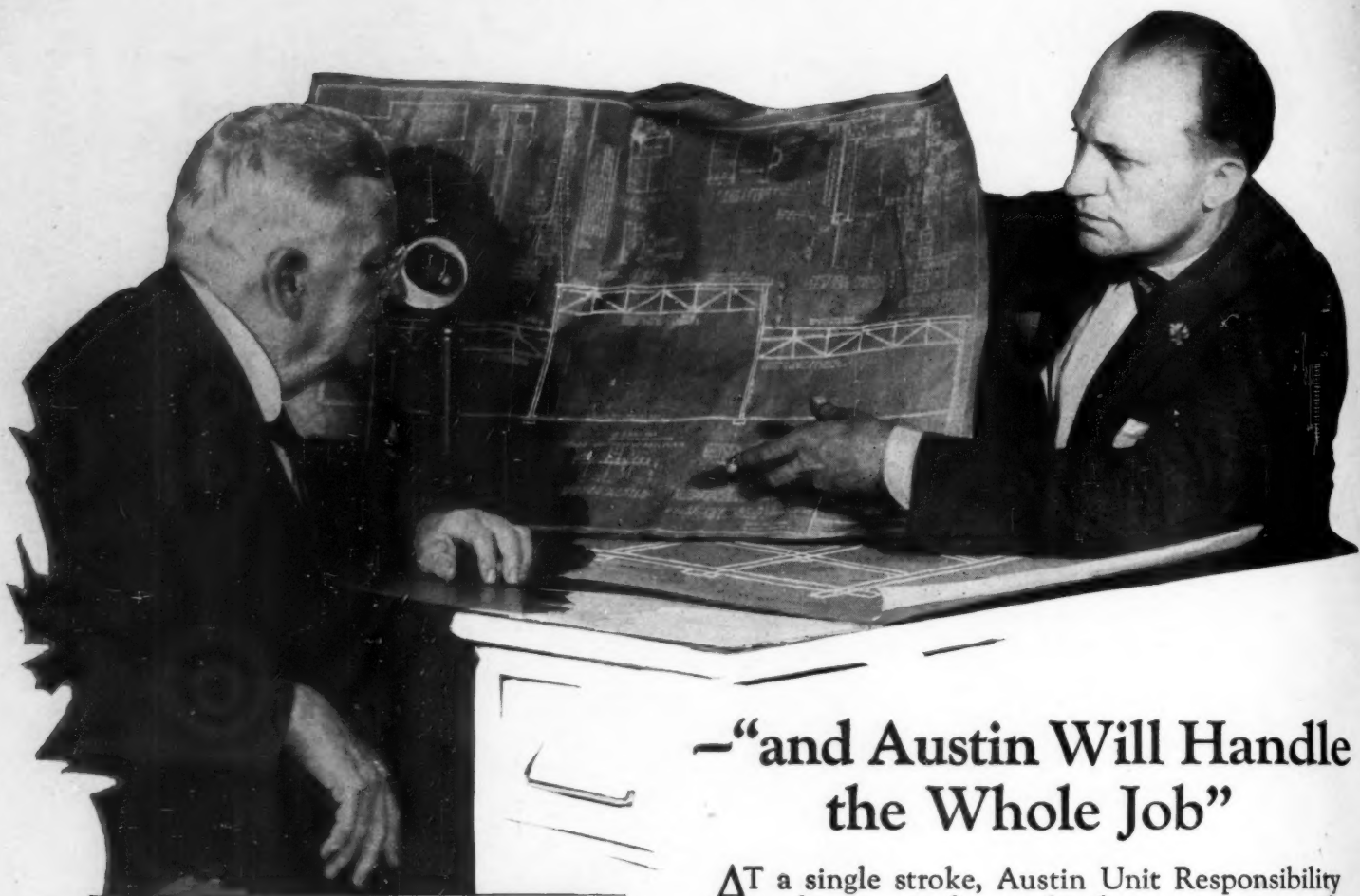
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The NATION'S BUSINESS

VOLUME 12, NUMBER 10

SEPTEMBER, 1924

A Magazine for Business Men

The Vitality of American Business

By ALFRED PEARCE DENNIS

Special European Representative, U. S. Department of Commerce

ABBE SIEYES, when asked what great thing he had done during the French Revolution, replied, "I lived."

How to catch and eat, how to avoid being caught and eaten—that is the elemental problem in a competitive world of hunger and struggle. All passes. Booms wax and wane. Even chilled steel gets tired. The shores of the Mediterranean are strewn with the wreckage of tired people. The curve of human progress is a zigzag.

American business has its ups and downs. Many a man, eager, hopeful, adventurous one year, is tired, timid, discouraged the next. Business reaches its high-water mark and recedes. Vitality burns itself out. The vitality of American business! Its ability to live through crises, to march forward, energetic, virile, origi-

native. That's something worthy of inquiry.

"Give us," remarked an Italian industrialist to the writer, "your wealth of raw material, and we Italians, with our willing hands and clever minds, will become as rich and as powerful as you are. When your virile youth has been spent, when you have run through your heritage of raw material, you, too, will become tired and fall behind in the race."

Has Our Industry Any Bounds?

LOOKING at the matter in a spirit of detachment, I wonder just how much truth there is in the observation. I can't help but feel that my Italian friend was wrong in his judgment—dead wrong. What is the meaning of "running through" one's resources? Is business like art, literature, philosophy, theology, where we get so far and can go no farther?

It is a question whether in the art of sculpture the modern world has done anything better than what was done by the Greeks 2,000 years ago, or in the art of painting whether we

have surpassed the work of the Italian artists of the fifteenth century.

A Paris guide, showing Mark Pattison about the Sorbonne, pompously remarked, "Here, sir, in this great hall the theologians have disputed for 800 years."

"And pray," inquired Pattison, "what have they settled in all that time?"

In thought about thought the modern world but little surpasses the best efforts of the ancients, but when it comes to thought about things the mind of modern man is ever creating new heavens and new earths. In the fields of applied science the horizon is constantly widening through the steady advance of the pioneer and discoverer. Life in our western civilization is steadily becoming ampler, richer and more complex.

The genius and character of the American people are still the expression of the pioneering spirit—the spirit of the men who sailed the seas, subdued the forests and made the western wilderness a fit dwelling-place for western civilization.

The generation in which we live is with one exception the most important pioneering epoch in world business that human history has known. The exception is that which embraced the discovery of America by Columbus, the establishment of the all-water route to the East Indies by Da Gama, and the circumnavigation of the globe by Magellan. At a bound the theater of world commerce thus passed from the Mediterranean to the great oceans, and

"Pioneers in the western wilderness, that's what we once were; pioneers in the business of western civilization, that's what we are now. . . . But here is the interesting and important thing. While we are losing in the pioneering businesses dependent upon geography, we are gaining in the pioneering businesses dependent upon our wits"



the trade routes of the world, hitherto limited to landlocked seas, were projected at a stroke to the physical boundaries of the planet.

If the age of Columbus and Magellan was the great era of geographical discovery, this is the great era of the business discovery of the world. In this great human drama the American business man is the pioneer and protagonist just as La Salle and Boone before him were pioneers and explorers.

Pioneering in the Use of Wits

PIONEERS in the western wilderness, that's what we once were—pioneers in the business of western civilization, that's what we now are. Geographically we stand at the end of our pioneering era; the stream of population flowing westward has engulfed our frontiersmen and with them our frontier businesses. Cheap sheep and cattle are associated with cheap grazing lands. As we plow up our prairie lands we raise the price of mutton and beef. We are practically out of the international mutton and beef business since we can no longer compete with such frontier countries as New Zealand and Argentina. One may predict that within a decade Vestey Brothers, the British meat trust, will be flooding American meat shops with Argentine beef unless we erect a tariff ban against the inflow.

We are beaten in the wheat export game, although we hug the delusion that the distress of the American wheat farmer is due to transient misadventures. But back of such special difficulties as having purchased wheat land at war boom values lies the fundamental fact that wheat can be produced more profit-

ably upon the cheaper land and more virgin soils of Canada and Argentina. The weight of this competition in the world market depresses correspondingly domestic prices so long as we have a surplus of approximately 180 million bushels which we cannot consume at home.

But here is the interesting thing and the important thing. While we are losing in pioneering businesses dependent upon geography, we are gaining in pioneering businesses dependent upon our wits. Out of the very rawness and primitiveness of our new country we have evolved a genius for improvisation and adaptation. Under the necessity of compressing a swarming city of millions into the narrow slip of an island we have run towering buildings into the air, thus demanding of the air-space that which the earth itself cannot give.

The skyscraper with its steel skeleton represents a mechanical means of meeting the difficulty. The dark massive factory of twenty years ago has been supplanted by a structure of light and air. Huge buildings standing foursquare to the elements, with walls three-fourths glass, had against them all the logic of architecture, but for them all the logic of convenience.

Stone highways, thousands of miles of them laid down in the brief space of twenty years in answer to the creation by the millions of powerful self-propelled vehicles, and the machinery in turn to build these roads, were improvised out of the necessity for quick and scientifically perfect construction. Our wonderful machines demanded, in turn, other wonderful machines to turn out the tools for building them. Not only our machines but our machine tools sell on a quality basis in the far corners of the globe.

Business keyed to a high point of intensity burning at a focus, demands its own tools to supplement human brains and hands. Our answer to this has been such business tools as typewriters, cash registers, fountain pens, refillable pencils, adding machines, dictaphones, office equipment, all selling on a quality basis in the far quarters of the globe. Thus, in the field of business, our feet are set upon new trails in the spirit of the explorer and pioneer, and unexplored fields stretch out fan-

like in every direction. Virile youth is pushing, trampling, overflowing into new ways and original channels. The newness, the rawness, the geographical detachment which marked our early beginnings give character to American business today. Had we been fettered by old world prejudices, customs and precepts of a thousand years, we might have stuck in our tracks.

A hundred illustrations might be given of the business vitality that springs from our hardy pioneering days, a vitality expressing itself in restless energy, in the passionate desire to pierce the veil which divides the known from the unknown, in the feverish urge to do something better than has ever been done before. The electric light bulb is a symbol of this spirit.

The Urge of Restless Genius

IN THE lifetime of men now living, we have run the gamut of household illumination—candles, whale oil, kerosene, gas, electricity. The electric bulb started with a crude filament of carbonized bamboo. This filament, after a succession of swift bewildering improvements, finally yielded the utmost carbon had to give. Whereupon carbon was abandoned for the rare metal tantalum. This in turn yielded to a thread of tungsten which cut electric light costs in half; that is to say, a double amount of light was had for the same money. The early tungsten filament, being of poor ductile quality, was extremely fragile. But the magic of our science converted the brittle into a ductile metal. The next great change was in the flame medium rather than in the filament. The old high vacuum principle gave way to a bulb charged with an inert gas. Once more the cost of electric lighting was halved. All this was accomplished not so much under the pressure of competition but under the urge of restless inventive genius, exactly the propulsive power which goads men to the uttermost bounds of the planet or stirs them to struggle upward to the cold rarified air of untrodden mountain heights.

In the development of our huge petroleum industry we have evolved a sixth sense. Both geographically and mechanically we are learning to see under ground. Having first bored holes into the earth's crust at random, our guesswork has now become canny, intelligent. We don't get so many dry holes, and we do get through formations which baffle and perplex our competitors in the game. The vertical and horizontal pipes which we install for bringing oil up out of the earth and for distributing it over the surface of the earth have set a standard for the world. Dutch oil drillers out in Java worked two years and failed to pierce a subterranean stratum of moving volcanic mud. American drillers got



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"This is the vitality of American business."

through this formation within six months. Australia called in American petroleum experts when their own failed. We are pioneers in the use of the rotary drill and have learned to use three or four drilling combinations in a single well.

When it comes to marketing petroleum products, we have developed the art of distribution from crude oil at the wells to the corner filling station to about the highest pitch ever attained in the commercial exchange of any commodity in any age by any people. As pioneers we took kerosene into China, the South Sea Islands and the African desert first for purposes of illumination. We gave away to the Chinese as premiums improved lamps which, supplanting the crude native lamps, tripled the sale of American kerosene in the Flowery Kingdom. We now bring out devices to enable peoples of the world to cook their food with kerosene, to warm themselves with it as well as to illuminate their dwellings.

If there is any one branch of human industry in which the British ought to be our superiors it is in the handling of tin. We have no native tin resources. The Italians were importing tin from Cornwall way back in the days when the Romans first set foot in Britain. Britain today controls not less than 85 per cent of the world's supply of tin. Even tin mined in China is subject to British control through an export duty collected at Singapore and Penang. But we are selling enormous quantities of tinplate to Japan, and it commands a premium over British plate.

Tin Cans for All the World

THE EPIC of the tin can! Our skill in producing tinplate has developed out of our ability to supply the world with American tin cans. Cans for kerosene, tinned beef, salmon, California fruits, Hawaiian pineapple, Maryland tomatoes. We lead the world in the production of canned foods; first, because we have the raw fruits; second, because we are proof against old world prejudices to tinned foods; third, because time grows more valuable as we travel from east to west. Time means nothing to the Oriental, and the typical German hausfrau spends a good part of the day in the kitchen over her pots and pans. The ability to improvise a meal out of tinned foods answers to the demand for short cuts in our swift-moving, complex western life.

The era of abbreviation! "Slow," as our forefathers knew the term, is not only out of fashion, but we shorten the word itself by 25 per cent. As to the tin can, be it known that tinplate is nothing more than paper thin sheet iron which our steel companies turn out by the thousands of square feet. These sheets are given a bath in molten tin and are thus presented to the world under the bright and shining aspect of tinplate. In casting about for a container for preserved and concentrated foods the world was smart enough to discover that tin does not tarnish in the

air and is proof against meat, fruit and vegetable acids.

The epic of agricultural implements! In the case of the teeming populations of western Europe, Egypt and Japan, labor is plentiful and the supply of land limited. Agriculture therefore is based on the principle of intensification or the utmost that can be done with the acre. In America, with labor scarce and land abounding, agriculture is based on the principle of extension or the utmost that can be done by the man.

Machinery Releases Farm Labor

OUR problem being one of labor rather than of land, to cultivate great acreages with fewer hours of labor, we have devised machines that multiply prodigiously the labor of man and animals. A farm tractor, threshing or reaping machine is a form of concentrated labor. An agricultural people employing only crude hand tools requires the work of ninety persons to provide food subsistence for every hundred of the population. Modern American farm machinery releases about two-thirds of the population for other industries. Last year probably not less than one million persons deserted American farms for urban life. American genius meets our agricultural problem by devising machines that will do the work of fifty human hands. These machines we sell to strange and alien peoples in the far corners of the earth. Fifty million dollars' worth of American farm machinery was sold to foreign customers in 1922, a tribute to American pioneering genius in summoning machinery to become the handmaid of agriculture. It is estimated that three hours of human labor were required to produce a bushel of wheat one hundred years ago. It now requires only ten minutes. Such is the endowment which science has conferred upon agriculture.

From the standpoint of chemistry, Germany, from the days of Liebig, has been the world instructor in the management of soils. In the Halle region in Germany they are going down into the earth's crust 2,000 feet to bring up potash for the use of growing plants. In the distance rise the smoking stacks of a great synthetic nitrogen factory. Science thus reaches up into the air and draws down nitrates for application to the soil. The country round about with indifferent soils to begin with, now blooms and blossoms like a great garden. But the greater gift to agriculture is the gift of tools, and that gift is ours.

It is not worth while to multiply illustrations of American resourcefulness in business. Our success has been largely due to our pioneering spirit and to our genius for getting around difficulties through ready adaptation to altered conditions in an ever-changing world. These difficulties we will always have in various lines of business. It might be well for purposes of illustration to point out what we are up against today in certain industries. The writer is not considering the short

swings—the transient phases of general business—but has in mind fundamental difficulties in certain lines of business. An individual may suffer from the defects of his own good qualities. So of a business.

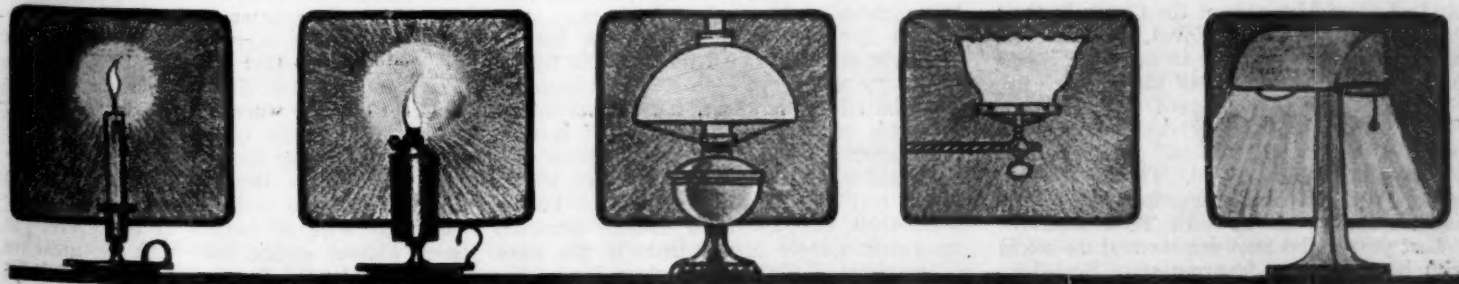
The citrus fruit and the tire industry are actually suffering because they have been carried to such a high state of technical perfection. The orange came to us by nature small, sour and full of seeds. We have been smart enough to breed large, sweet, seedless oranges and as a sort of flourish of defiance to the crude processes of nature, we have developed a thoroughbred grapefruit. Knowing a good thing when we see it, we have overplanted these fruits and have swamped our domestic market. The industry both in California and Florida is in the dumps. How will American genius for meeting a business difficulty solve the problem? Our fruit men, having learned how to produce and how to finance, the only possible thing left for them is to learn how to sell.

We cannot induce the northern Europeans to eat corn bread, nor the southern Europeans to install soda-water fountains in their cafes. We are up against food prejudices which represent the dietary practices of a thousand years. We know this, however, that fruit and nuts are natural and universal foods while corn cakes and maple syrup sundaes are not.

Wanted: A Citrus Fruit Market

IN DEVELOPING therefore, foreign markets for our citrus fruits, the problem reduces to getting the fruit to the consumer in good condition and selling it to him at a reasonable price. Cooled space in railroad cars and in the holds of ocean liners, with selling organizations in the foreign centers of population, and the thing is done. Work of this sort, however, is too big a thing for the individual; it must be done through collective effort. One may hazard the prediction that if our citrus fruit growers are to lift themselves out of their present depression it must be done through cooperative effort. Cooperation breeds out of peril. Animals which pay no attention to one another in days of sunshine and plenty, huddle together in times of storm and famine. Is it not time for our citrus fruit growers to huddle together?

Our manufacturers of rubber tires are up against it. The industry is distressingly overbuilt. Although we turned out last year probably not more than one-half of the potential capacity of our factories, we glutted the market with tires. Along with excessive production we have improved the quality of tires, and thereby lowered replacement demand. Before the war the average car used up four tires a year; the average is now about two and one-fifth tires per car per year. The pre-war dollar will buy more tire today than it bought before the war. One probably gets more tire for his money than he gets in any other commodity purchasable in the open market today. Depend upon it



our tire manufacturers will find a way out of their difficulties. But how?

What about the future of the American leather business? How can it stand the shock of cheap substitutes for leather—the composition materials for sole leathers, the cotton fabrics for upholstery leathers? The threatened extinction of the leather harness business looms as the internal combustion engine tends to supplant horse-drawn vehicles. What is the answer? We don't know what the future holds, but we do know that American tanners are putting more thought into their business than ever before. We know that chemical tannages are revolutionizing the upper leather industry and that processes which once required months with corresponding heavy overhead and capital investment are now shortened to days. Marvelously colored leathers are being brought out. Beautiful hand-crushed grained leathers are appearing in the better class closed cars. In other words, the industry is adjusting itself to meet changed conditions and is striking out along the lines of bold and original adventure to recover in new fields losses experienced in the old.

We succeed by going with the current of our national genius and character and not against it. We are up against a bad situation in our ocean-going shipping business. We are succeeding in some particular lines, lines which have developed naturally out of our national needs and capacities. As pioneers in the petroleum business we needed ships of a particular type to fetch crude oil from Mexico and carry it refined to foreign customers.

The answer was the tanker. This part of our ocean-borne commerce rides securely upon the seven seas. We developed a great domestic market for tropical fruits; and our fruit steamers, constructed on bold and original lines, answer to this need and pay their own way. But when it comes to ferrying passengers across the ocean or transporting bulky freights over the broad waterways of the world we find ourselves competing with peoples who have done this thing successfully for hundreds of years.

Land Poverty Drives Men to Sea

IT IS well to recognize the fact that the shipping business is primarily for peoples driven to the sea because of the poverty of the land—peoples such as the Italians forced to turn amphibious after having exacted from the soil about all it has to give; a poorly endowed country such as Norway forced to look seaward for the food which an inhospitable land denies; England throwing off the outer rim of its pent-up population and edging her strong young sons out of the family nest, sending them overseas to the far corners of the earth, trafficking and trading for four hundred years with customers in a thousand ports.

The symbol of Britain's greatness a floating vessel propelled by wind or steam; the symbol of our rise to fortune, the blazed trail and the covered wagon. Our ways are the land ways of a great continent; Britain's ways, the waterways of the great globe itself. Perhaps through our mechanical competence, our

inventive genius, we may offset our natural disadvantages—the Diesel engine, oil burned under boilers, reduction in crews, the application to ship construction of the principles which have enabled us to build the cheapest automobiles and yet pay more than double the wages paid by our foreign competitors in the business.

Our technique of mass production has developed to such a point that a single manufacturer can turn out seven thousand motor cars in a single day. The thing confounds and astounds our foreign competitor; he simply can't comprehend it. Under the ferment of economic strife we have evolved our own types and our own methods. Our craving for mobility finds its answer in flivvers darting in and out by the millions on our highways. Travelers think less of a journey by express train from New York to Chicago than our forefathers thought of a trip from Washington to Annapolis. Mobility is the expression of our complex, restless, aspiring western civilization. American business, despite its checks and hesitations, is like the rising tide, sweeping in from the illimitable ocean, wave after wave racing high on the beach, each carrying forward a little the foam-marked limit of the wave that has gone before.

Editor's Note: This is the first of a series of articles by Mr. Dennis, special European representative of the Department of Commerce. The next, dealing with the romance of American industry, will appear in the October issue.

Responsibility Begets Understanding

Explaining the Mystery of the British Labor Party

By PHILIP W. WILSON

Former Member of Parliament

ONE NEED not be surprised, perhaps, if men of business in the United States are still mystified by a phenomenon, so strange and elusive, as the emergence of the British Labor Government.

A revolution is, after all, supposed to turn the world upsidedown, but here apparently is a revolution which is intended rather to set everybody the more firmly on his feet.

Even the churches have seldom been so cheerful, and the season in London, just concluded, has been the most brilliant since the year 1914, when the war broke out.

The "bolshivism" of Britain, at which some people were so scared, has reopened the Royal Opera House at Covent Garden, with its diamond horse-shoe, and there have been stately pageants, like the reception of the kings and queens of Italy and Rumania, and the magnificent parades, secular and religious, at the British Empire Exhibition.

Radical Promises Unfulfilled

UNDER all the circumstances, it was only to be expected, perhaps, that the real Bolshevists in Moscow should sneer at a Communism so bourgeois. Men who have hurled the Czar from his throne smile at the "Socialism" of these Ministers of the Crown in their gold lace and white gloves, whose chief anxiety has been at times to keep the Prince of Wales from tumbling off his horse.

If we examine the record of the Labor Government, the mystery deepens. It has been six months in office and the session of Parliament is well advanced. The Labor Party exists to speed things up, but not within living memory has so little been achieved.

Last year Philip Snowden startled the world with his resolution favoring state Socialism.

On that record, he was chosen to be Chancellor of the Exchequer. He inherited from his predecessor a splendid surplus. What was his budget? Simply a cut in taxes. It was less Socialist than the Lloyd George budget of fifteen years ago, which provided for workmen's insurance. If the budget was criticised, the reason was not Socialism but free trade, and here Snowden was supported by the Liberals.

Not one industry has been nationalized—not even the railways and mines. And not a foot of land has been bought for the state or confiscated by the state. Indeed, Ramsay MacDonald, who, out of office, has preached Socialism all his life, now—being in office—tells his friends that he does not like the word because it has a bookish sound.

As for the far-famed Sydney Webb, who last year published a violent attack on the capitalist system, he has become President of the Board of Trade and an indistinguishable cipher. A prestige that for years had been international, when put to the practical test, has vanished suddenly into thin air.

Take the shortage of a million houses. This was attributed by Labor to "the failure of private enterprise"—to which explanation must be added, however, the restrictions of the trade unions. What exactly of housing has Labor achieved? Not one brick has been laid which would not have been laid if Labor had not taken office at all. Put in a nut-shell, the scheme of housing proposed by Labor merely means that, if the state appropriates \$150,000,000 a year for a gen-

eration as a subsidy for the builders, the shortage may be overtaken.

It is true that since the Labor Government assumed office the number of unemployed has fallen considerably. But the improvement is not attributed by Labor itself to any action taken by the government, for apart from trivial tinkering with details of relief for the unemployed, there has been no action. Faced by responsibility, Labor abandons the panaceas, heralded from the platform, and calmly announces the ancient economic doctrine that, after all, employment depends on the state of trade. J. H. Thomas, the railway man, who is now Colonial Secretary, talks in the tones of an imperialist about developing and consolidating the resources of the British dominions.

Labor Uses "The Big Stick"

IT IS not a little amusing to notice what an enthusiasm has been developed by Labor for the Union Jack. James Ramsay MacDonald is of course Foreign Secretary, as well as Prime Minister, and when Mexico interferes with a British subject, he who had been so strong a pacifist behaves in the good old manner of Lord Palmerston and breaks off diplomatic relations! Lord Curzon himself has seldom been so haughty, and one can only assume that somehow Ramsay MacDonald got hold of Theodore Roosevelt's big stick! Indeed, when an American citizen, Edwin G. Hawley, is killed on the Yangtze River by Chinese junkmen, the British gunboat *Cockchafer* threatens to bombard the town unless the military authorities follow the body with all honors to the grave. It goes without saying that such gestures are wildly applauded by the Tories in Britain,



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"The claim of Labor is not that gold lace shall be abolished at Windsor Castle. . . . Labor wishes to go to Windsor Castle and wear the gold lace like everybody else."

but who would have supposed that Ramsay MacDonald, once denounced as pro-German, would have developed such tendencies? Lloyd George attributes it to "the heady wine" of power.

It is true that the Labor Government has recognized Russia. But Sir Robert Horne, when he was in this country, made no secret of the fact that his own government—the Conservatives—intended to take this step. In fact, Britain has instituted special classes for young men who wish to learn Russian—her object being not trade alone, but the safety of the Indian frontier, which a hostile Russia, whether under a Czar or under a Soviet, would threaten. As to the recognition of Russia, therefore, all parties have been agreed, and over this decision there was no controversy.

Russian Policy Conservative

WHEN, however, the Russians sent a delegation to London, it was a case of coming down to brass tacks. What the Russians wanted was money. They demanded not compliments but cash. And at once, MacDonald, after consulting the bankers, assumed essentially the same attitude towards Russia as that of Secretary Hughes, while it was Lady Astor, I think, who, in her piquant manner, asked why Socialists should be so eager to obtain capital. Towards Russia, therefore, MacDonald has acted exactly as Baldwin or Asquith or Lloyd George would have acted had one of them been in his place.

So with Singapore. The Conservatives had planned there a naval base for the protection of Australia and New Zealand against the Japanese, and this expenditure had been opposed by the Liberals. MacDonald therefore let the Liberal vote decide the issue, and the fortification of Singapore was abandoned. When, however, Charles G. Ammon, Parliamentary Secretary of the Admiralty, talked about defending the country on the principles of the New Testament, there was such a sensation that confidence was only restored by the announcement that five first-class cruisers, each of 10,000 tons, were to be laid down as a means of giving work to the unemployed.

If then the Labor Government differs in no material respect from any other, why did it ever come into being? This is the question which has to be answered. And it can only be answered in the light of history. Sixty years ago, the House of Commons consisted of two parties, neither of which in-

cluded representatives of the hand-workers. The trade unions were then gaining ground, especially in the mines, and what the wage-earners said was that they must have someone of their own class to speak for them in the House of Commons. One by one, Labor delegates were elected to Parliament, therefore, as Liberal members. But in 1894—that is,

Radicals in Promise, Not in Practice

WHEN the cables clicked off the news that the radical Labor Party had obtained control of the British Government, many gasped at the thought of conservative Britain in the hands of those who advocated openly such doctrines as heavy levies upon the capitalistic class for the equalization of wealth, the nationalization of industries, and state bounties to workingmen.

That was nearly a year ago. What has happened? The king still reigns, the Prince of Wales continues to fall off his horse, there is a return to pre-war pomp and pageantry, commerce goes on as of old.

Mr. P. W. Wilson, a former member of Parliament, gives us here a dramatic picture of what has taken place. And as we read his manuscript, there recurred again and again the old German proverb: *Verantwortlichkeit gebiert Verstand*—"Responsibility begets understanding." A proverb, by the way, which holds good in Germany, in Great Britain, and in the United States.

—THE EDITOR.

just thirty years ago—Keir Hardie, the Scottish Socialist, declared that Labor members should leave the Liberal Party and form a party of their own, and in this crusade he was joined by MacDonald. Americans have also had their "third parties" and can thus appreciate the situation. The advanced section of Labor was discouraged over a Liberal-

ism that had just lost Gladstone, and the new Labor Party was to be organized on the lines pursued by the Irish Nationalists and the German Socialists, which were then regarded as a great success.

For twenty-five years, the separate Labor Party gained little ground. What brought it to the front was another period of Liberal depression, which especially disgusted the younger men. Over the coalition, Lloyd George and Asquith had quarreled. And while few of the British have changed their minds over the rights and wrongs of the war, there has been a widespread and profound dissatisfaction over the subsequent peace. About the peace and about the war MacDonald was able to say, "I was not responsible." Everybody, therefore, who was aggrieved, and especially the conscientious objectors, could turn to him for comfort. That is the inner secret of the rise of British labor. And it has nothing to do with Socialism. If MacDonald and his friends had been Buddhists, the results would have been precisely the same. They were the men who had no past to hamper them and equally unhampered were they in pledging the future.

Party of Strange Bedfellows

WHAT one has to realize is that the slogan of the Labor Party as a whole has never been Socialism, but "independence." Anybody can join the Labor Party who will say that he is no longer a Liberal or a Conservative. Hence at the last election, the party included nine Communist candidates, affiliated with the Third International at Moscow. They were not Liberals and they were not Conservatives and therefore they could claim the *imprimatur* of the Labor Party. But on the other hand, the Labor Government, which welcomed these Communists, also includes Lord Granard, who married a daughter of Ogden Mills; Lord Parmoor, the ecclesiastical lawyer who has been "Chancellor" (or attorney) for the Archbishops of York and Canterbury; Lord Chelmsford, a Conservative Viceroy of India; Viscount Haldane, a Liberal Lord High Chancellor, and other strange bedfellows. And in the rank and file of the party you will find a son of Stanley Baldwin, formerly Conservative Prime Minister, and Oswald Mosely, who married Lady Cynthia, the daughter of Earl Curzon and the former Miss Leiter, of Chicago. It is ridiculous to suggest that such a Labor Party can ever mean Socialism. If the Socialists within it were ever to try the experiment, the party would break up at once. What is it,

then, that the Labor Party does mean? What exactly is the change that has been made by these men now in power?

According to Winston Churchill and other critics, who want a big bugaboo for political reasons, Ramsay MacDonald is a veritable Machiavelli. As long as he is in a minority, he is keeping his men quiet and so winning the confidence of the nation. But give him a majority in the House of Commons and he will be forced by his followers to show his true colors. There will be the capital levy and nationalization of industry and all the other horrors of a real Socialism. It may be that, by means of some such a notion, MacDonald is instilling patience into his wild men. But in British politics at any rate, whatever may happen in Russia, these elaborate stunts seldom if ever succeed.

No Rabbits Pulled from Hats

BEHIND MacDonald today is not one newspaper of general circulation. And if he wins a victory for Socialism, it will have to be a straightforward victory, with all the cards on the table. MacDonald has seen that it has been impossible for the Conservative Party to adopt tariffs against the prevailing opinion of the country. And no one knows better than he, as a parliamentarian, that Socialism is equally impossible, whatever government be in power, until the country is convinced. From my analysis, then, I dismiss mere *legerdemain*. Whatever else is meant by British Labor, it is not a conjuring trick, and it has pulled no rabbits from silk hats.

The real significance of Labor lies, not in its program, but in its personnel. The change that has taken place is neither economic nor political, but social. It is not that Britain will be differently governed from the way

she has been, but that she will be governed by different men and women. The king will continue. The aristocracy will go on. Commerce will be encouraged. And a highly trained civil service will see that administration is shipshape. But in the future the worker will be admitted as a citizen to Buckingham Palace, to Downing Street, to the great departments of state, and to the embassies.

Labor is not asking to change the British Empire. What Labor does ask is to be included in the government of the empire. The claim of Labor is not that gold lace shall be abolished at Windsor Castle, as J. R. Clynes, who leads the House of Commons, frankly intimates. Labor wishes to have a share of the jobs, to go to Windsor Castle, and wear gold lace, like anybody else. It is simply a case of "freedom slowly broadening down, from precedent to precedent." The aristocracy have had to admit the middle class into Parliament, and it is now the turn of the workers to be admitted. The belief that those workers must be radical, in the American sense of that word, is quite without foundation. On issues like child labor and liquor, their vote has often been against what others advocate as reform. They like their little bit of property. They like their glass of beer. And many of them are far more interested in horses, dogs, cricket, football and radio than in any abstract theory of collectivism.

Room for Only Two Parties

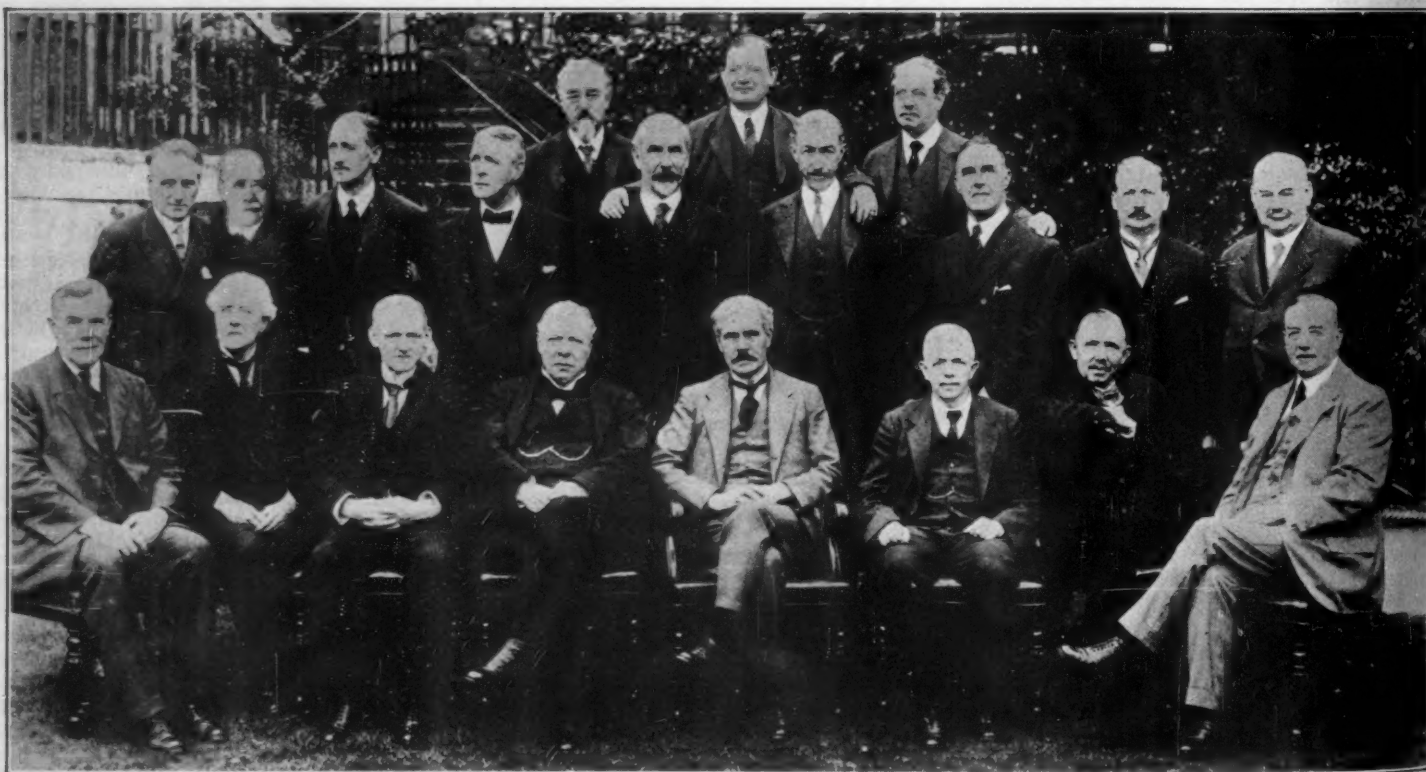
PROPHECY is perilous. Yet I will here take a risk. There is no room in Britain for more than two parties. The parties may change their names, but they will continue to be, none the less, the same parties. A century ago, there used to be the Whigs and the

Tories. Then there were the Liberals and the Conservatives. In the future, it may well be that we shall have Labor and a party, essentially the old Conservative party, opposed to Labor. In name, the Liberal Party, like the Whig Party, would disappear. In fact, it would continue. Just as the Liberal Party was composed of all classes, including the workers, so is it already with the Labor Party. And the historian will care little what may be the precise steps by which the absorption of Liberalism by Labor and of Labor by Liberalism is secured.

Again "Sic Transit Gloria"

FOR BRITAIN is in a peculiar mood. In August, 1914, what had been Britain came to an end. That date is the 1776 of the rising generation, for whom life began when war was declared. There are today millions of men and women with votes to whom the old parties, as constituted, mean nothing. These men and women care little for theory and much for the man. When Lloyd George was in the limelight, he held their allegiance. They were equally ready to follow Bonar Law and Stanley Baldwin. And it is now MacDonald's turn. As long as he is in office, he will be everything. When he falls from power, he will be, like the others, nothing. Hence his unblushing opportunism. Hence, too, the acquiescence of his colleagues in a policy of marking time. Hence, finally, the impatience of the genuine Socialists who, by strikes and other arguments, declare that it is useless to fight capitalism in Parliament and that the only strategy is the strategy of "direct action."

Happily, these men of violence are few. But they are thoroughly disillusioned and will not again readily believe in Labor's promises of a new heaven on the old earth.



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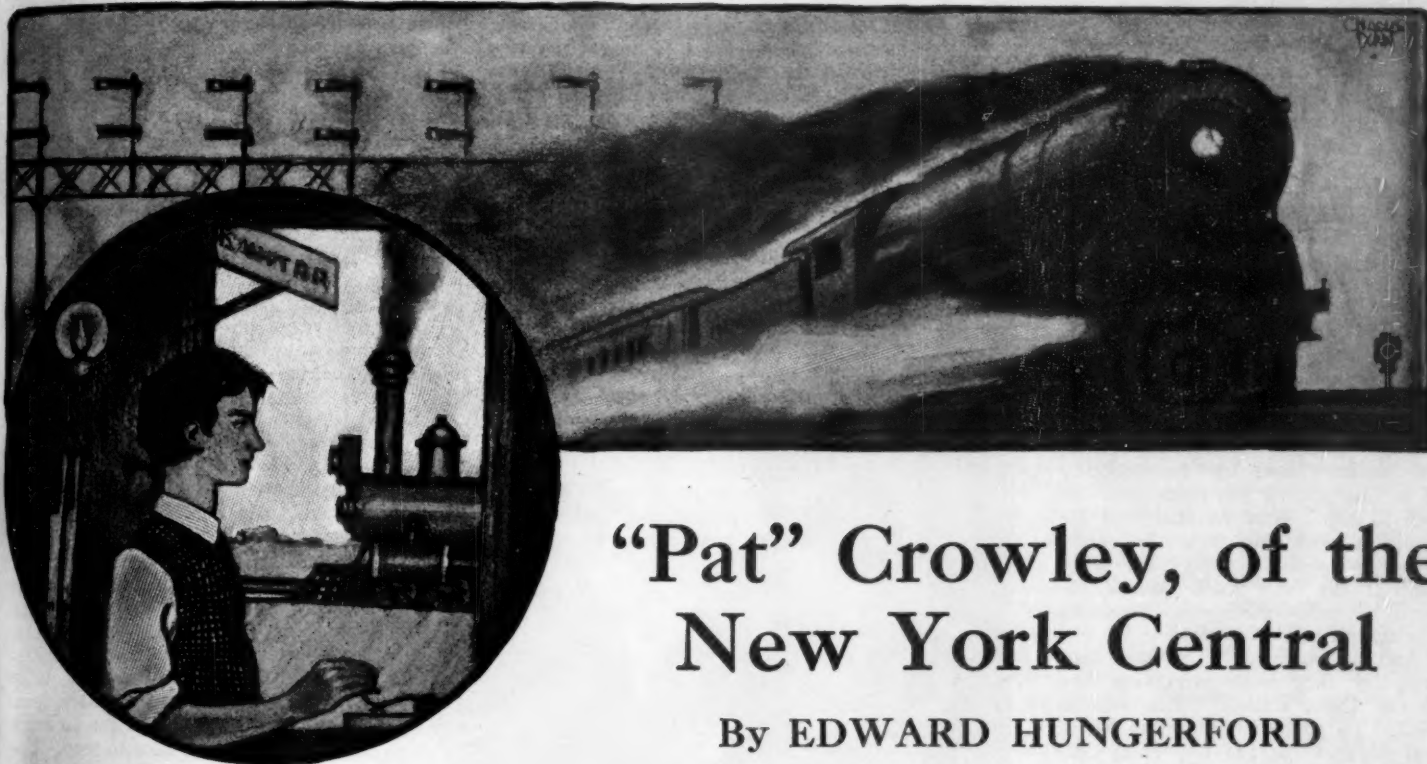
THE FIRST LABOR CABINET OF GREAT BRITAIN, PHOTOGRAPHED AT HISTORIC NO. 10 DOWNING STREET

Sitting front row, left to right—William Adamson, Secretary for Scotland; Lord Parmoor, the Lord President of the Council; Philip Snowden, Chancellor of the Exchequer; Viscount Haldane, Lord Chancellor; James R. MacDonald, the Prime Minister; John R. Clynes, Deputy Leader House of Commons; James Henry Thomas, Secretary of State for the Colonies; Arthur Henderson, Secretary of State for Home Affairs.

Second row, left to right—Charles Phillips Trevelyan, President of the Board of Education; Stephen Walsh, Secretary of State for War; Lord Thomson, Secretary of State for Air; Viscount Chelmsford, First Lord of the Admiralty; Lord Olivier, Secretary of State for India; Noel Buxton, Minister of Agriculture; Col. Josiah Wedgwood, Chancellor of the Duchy of Lancaster; Thomas Shaw, Minister of Labor.

Back row, left to right—Sidney Webb, President of the Board of Trade; John Wheatley, Minister of Health; F. W. Jewett, First Commissioner of Works.

THE SIGNIFICANCE of this article lies not in the fact that one "Pat" Crowley, railroad messenger boy at fourteen, has fought his way up to the head of a great transportation system. That is a big story in itself, but a theme of far lesser import than this: Crowley, pounding at his telegraph key forty years ago, had a vision of today's Twentieth Century and determined to make his dream come true. In that vision and determination, Crowley is not unlike many thousands of other men on American railroads—brakemen, engineers, train-dispatchers, shopmen—who, believing religiously in the railroad and working faithfully for its advancement, have made American transportation what it is today—the unmatched marvel of the world and perhaps the greatest single contribution to American industry.



"Pat" Crowley, of the New York Central

By EDWARD HUNGERFORD

WHEN P. E. Crowley stepped into the shoes of the late A. H. Smith as president of the New York Central, a few weeks ago, he walked into a man-sized job. Smith was a big man—in far more senses than one. He was more than big; he was commanding, forceful, even blustering. From a distinct aversion to publicity, he had come to be a past master in it. As the head and front of one of the largest, if not indeed the largest, of American railroads, he was naturally an outstanding figure. Yet he could have been the president of a far lesser system and still have been an outstanding figure.

When, last March, his life was snuffed out, as suddenly as with a snap of the finger, the railroad world turned its eyes toward the Grand Central Terminal and asked:

"Who can fill Smith's big job?"

From that traditional headquarters of New York Central the answer came presently:

"P. E. Crowley. He can and will fill Smith's position, admirably."

"Who is Crowley?" asked some folks.

But not those who pretend to any intimate knowledge of American railroading. They already knew who was Crowley—P. E. Crowley, the operating vice-president of the big 12,000-mile road, whose initials long since were translated to read "Pull Eighty" Crowley, because it was this simple and unassuming but exceedingly able man who first instituted the eighty-car freight train on the New York Central Railroad. It was P. E. Crowley who contributed more than any other one man—more than even A. H. Smith

himself (Smith would have been the first to tell you this)—to the splendid operating record of the road during the difficult days of the World War.

"Who is Crowley?"

Don't ask a New York Central man if he knows who Crowley really is. He would laugh at you.

"Pat Crowley?" would be his comeback.

"Don't know Pat Crowley—the supreme railroad operating man of all America—and that means all creation, too? Don't know Pull Eighty Cars? Don't know who makes the freight move on this line? Don't know the fellow who is tinkering with motor trucks and containers and moving our road ahead more rapidly than any one of its competitors anywhere? Don't know Pat Crowley? Say, did you ever hear of Theodore Roosevelt? Or of Woodrow Wilson?"

"Our Man" Railroaders Call Him

THIS is not exaggeration. To prove it, let me quote an anecdote given me by a high operating officer of the Central who chanced to be riding on another road the day after Crowley's election to the presidency of the road had been announced. The conductor of the train had made a notation of the New York Central man's pass. After a moment he spoke to him, in a low voice.

"I'm glad you fellows took our man," said he.

"Your man! I didn't know that Crowley ever worked on this property."

The conductor shook his head.

"He didn't," he responded. "I wish he

had. When I said 'our man' I meant the man who stands for the common railroader of this country. He's the fellow who understands us. That is why there isn't a railroad terminal or a roundhouse from Bangor to San Diego that isn't rejoicing today because Pat Crowley's been made president of the New York Central."

Stronger compliment might be paid a railroad executive, but I do not know quite how. The directing board of the Central has made some very shrewd moves in recent years. But none wiser than when it discarded all suggestions that it go off the system to pick A. H. Smith's successor—that it choose X— of this road, or Y— of the other, or Z— of the third—to get a man really big enough to succeed the most notable president in the entire history of the property, and pass Crowley completely by, the man who has made the railroad his very life-work.

The Board of the New York Central made no such mistake. It quietly went to P. E. Crowley, put its hand upon his shoulder and said:

"You are the man."

I fancy that, until forty-eight hours of his election, the thing was as big a surprise to Crowley as to anyone else anywhere in the United States.

"Who is Crowley?"

You still insist. Very well. Let me tell you something of his beginnings: Briefly it may be said that he has just come to sixty, having been born August 25, 1864, up in the little town of Cattaraugus in the

great hills of western New York. He is the son of Dennis Crowley, who migrated to this country but a few years before that, married Miss Helen Mulcahy and set up a 50-acre farm not far from the tracks of the then-new Erie Railroad. The four Crowley children saw much of the railroad. All day long and late into the night the trains passing to and from Dunkirk echoed in their ears. Their talk was of the railroad, and eventually the boys all went to work upon it. Their father had become baggagemaster at Cattaraugus, and the transition was an easy one, indeed.

Train-Dispatcher at Fourteen

YOUNG Pat's first job with the Erie was at Custer City, on a small branch of the line running south from Bradford, Pa. That was in 1878, and all northwestern Pennsylvania was athrob with the oil fever. There were no pipe-lines at that time, and the job of moving the heavy tank-cars over many miles of the single-tracked Erie was no easy one. Crowley stood to it manfully, and yet he was but fourteen and physically a rather delicate little fellow when he first took his full-time job. If he had been of larger frame or of stronger physique it is probable that he would have entered the train service. As it was, the intricacy and the responsibility of a telegrapher's job made best appeal to him. What he could not accomplish with his body he might accomplish with his mind. The president of the New York Central entered upon his profession "pounding a telegraph key."

And he pounded it so well that presently they were promoting him to the Cuba station. This was in 1882. To go to Cuba station was a real advance for the boy from Cattaraugus. Now he was on the main line of the road and in a direct position for swift advancement. Moreover, Cuba itself offered him many advantages. It was, and still is, an attractive New York State village, with excellent opportunities of many sorts for a young man to perfect himself. Of these Pat Crowley was not slow to avail himself. The village library attracted him. Always fond of reading, he developed an especial taste for poetry. He read it incessantly. The Erie men of that day remember him, going around with a book of Tennyson or Longfellow under his arm.

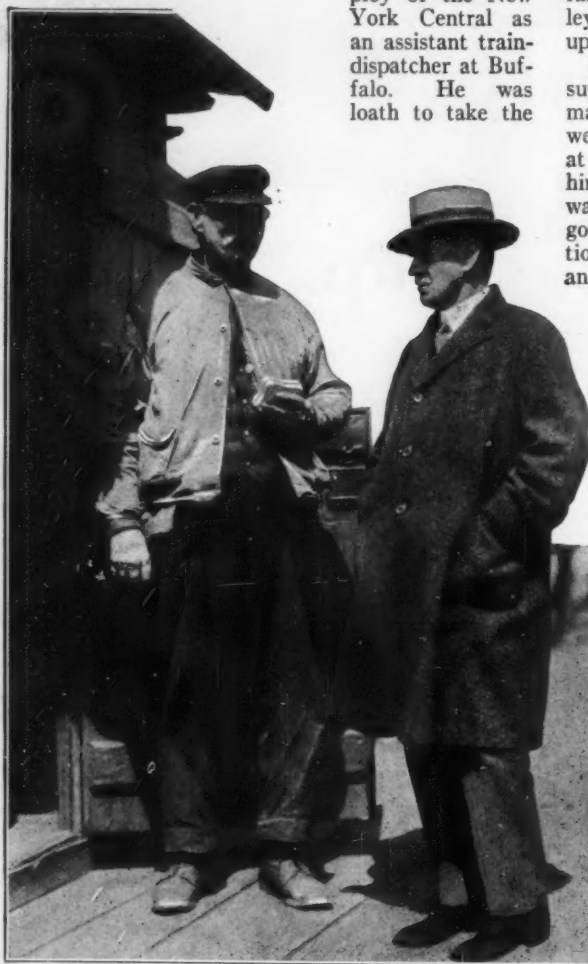
He lacked the physique for competitive physical sports, but the girls of the town liked him as a rather serious-minded young fellow, who seemed to have a very definite purpose in life. He had material advantages as well. With \$45 a month salary he was about the best-paid young man in the town and in a position to hire livery rigs in his off hours. But better than this, the girls of Cuba liked Pat Crowley because of his high-mindedness. It has always set him out among men. He has never been known to tell an off-color story, to use an oath, or to raise his voice in anger.

From Cuba, Crowley went two years later to the big western New York headquarters of the Erie, at Hornellsville. This again was promotion. Not only was "V," as the telegraphers upon the road knew the shops' telegraph office, a still more important post, but

already they were saying that soon he would be train-dispatcher; and train-dispatcher is a real job on any road, particularly so on an overcrowded single-track line, such as the Erie of that day. And young Crowley barely came to the twentieth year of his age! He was not even old enough to vote for Blaine for President, although he did go over to Angelica to hear the Plumed Knight talk on the tariff. It was characteristic of Crowley's ceaseless search for a better self-education.

The following year he was made train-dispatcher—perhaps the youngest one in the whole history of the road. But Pat Crowley was one to be trusted with responsibility. You could see that in a single glance at his sober but expressive face. Seven years at a telegraph key had made him rarely expert in its use. He was one who was bound to get ahead.

In 1890 Crowley left the Erie and first entered the employ of the New York Central as an assistant train-dispatcher at Buffalo. He was loath to take the



"There isn't the least bit of swank about Crowley. . . . He is working with his men, not above them. That is why, so long ago, he began winning their affection, their enthusiasm, their cooperation. Without these, he could never have been president today of the largest railroad in the world."

step. The sense of loyalty has always been one of his most distinguishing characteristics. But the Erie had entered upon troublous days. It was once again in financial distress, with seemingly but little hope for the future. The outlook for advancement upon it was dubious, and already young Crowley was contemplating matrimony.

On the other hand, the New York Central even then was showing promise of great growth. It was entering upon the remarkable policy of absorption and consolidation that was to multiply greatly its size and so

the opportunity for its workers. After de-liberation Crowley went to it. Yet it is worthy of note that when, a decade afterwards, he was given a flattering offer to go with a competing railroad—this time a very rich and progressive property—at a much bigger wage than the Central was then paying him, he turned it down. He said that he would stick by New York Central. His sense of judgment rarely errs.

From Buffalo to Oswego, and then to Watertown, as both chief train-dispatcher and chief trainmaster upon the Rome, Watertown and Ogdensburg Railroad, which the Central had acquired in the early spring of '91. Steady progress all the while. From Watertown to Jersey Shore and then Coming, upon the old Fall Brook, also came into the meshes of the great New York Central net. Now it was that they were addressing Pat Crowley as superintendent, and any ordinary young man of thirty might have felt that he had attained to a high summit of railroad organization. But not so with Crowley. He is not an ordinary man. He looked upward, always.

In three years he was assistant general superintendent at Syracuse, upon the busy main line of the road. From that post he went to the assistant general manager's offices at Albany. And now they were talking about him down at the old Grand Central. Who was this man Crowley who kept making these good records up-state, anyway? The question was asked, again and again, of this man and of that. And its answer was always keyed in the same note.

In the thirty-eighth year of his age Crowley was general manager of the New York Central, at its historic headquarters in the Grand Central Station. Here again was a bully stopping place for an ordinary man. But P. E. C.—as they began to know him—did not know how to stop. Upwards and upwards. Assistant to the vice-president and then vice-president himself. And now the president of America's billion-dollar railroad.

Smith a Man of Color

THE MERE chronology of the rise of a great captain of industry may, of itself, tell no story whatsoever. Now it is not who is he? but what kind of a man is he? How is he with his family, with his fellow-workers, with his associates of every sort?

Curiously enough, there is comparatively little Crowley tradition upon the New York Central. Knowing him personally for more than thirty years, I have been astonished to find what a paucity there is of accurate anecdote in relation to the man. In any journalistic sense he is not colorful. A. H. Smith was. Smith was dramatic to the finger-tips, forever doing the unexpected, and in highly unusual ways. Smith was good-natured, bluff, noisy. His voice as well as his personality would dominate any assemblage that he attended.

In the fortnight before his death he was present at a conference of steamship officers and railroaders, both of Europe and of the United States. Highly important plans for the perfection of an interrelated transcontinental and transatlantic passenger service were under discussion. The foreigners had the first say. They promised a good deal. So did the big steamship operators. It then was the turn of the American railroaders. For a moment there was a hesitancy among

them. But not for long. Smith jumped into the breach.

"When you fellows say that you are ready we will put on a counterpart of our Twentieth Century limited—same equipment, same running-time, same everything—right from Chicago to the pier-side in New York. Let me know when you are set to go ahead and the train will be there. We can put it on in twenty-four hours if necessary."

The audacity of A. H. Smith often fairly took away the breath of his fellows. He not only promised big things, but he had a way of keeping his promises.

In many ways—chief of all, appearance and manner—Crowley is the very antithesis of Mr. Smith. It would be hard to imagine his voice dominating any assemblage. He is neither a loud speaker nor an easy one. Yet it is not difficult to imagine his mind dominating any group of men. To him men long since gave deference.

A Firm but Kindly Executive

"HE HASN'T the least bit of swank about him," said one of the older conductors of the Central—a man who has worked under Crowley and so come to love him as one of his own blood—to me the other day. "But, Lord bless you, when Pat says 'no' it means something. It means that he is going to stick by it—till hell freezes over."

Patrick Crowley does not often say "no." He would much prefer to say "yes." His methods are invariably those of gentleness, albeit combined with exceeding firmness. His hold upon the rank and file of the Central's employees is little less than marvelous. When, three or four years ago, the war-time contracts with the railroad shop-workers having expired, the line sought to return to a piecework basis with these men and found itself in great difficulties. Apparently the shopmen did not wish to accept a piecework system—even when it was offered upon a very generous basis. The Central then began to resort to an alternative, already in wide use by some of its fellow-roads—that of leasing its shops to outside contractors who could make their own labor arrangements when and where they pleased, and subject to no governmental overlordship. New York Central did not like this method. It was bad for morale. It upset many of the fine traditions of the road. But there seemed to be no alternative. One by one the big shops slipped away until there was left only the great central establishment of the entire system, at West Albany. To have lost West Albany would have been a dire tragedy. Crowley himself regarded it as nothing less and went up to the shops.

That night in a crowded, stuffy hall in Albany he talked himself to the shopworkers. I have said that he makes no claims as an

orator. He will never dim the record of his distinguished predecessor, Chauncey M. Depew. But he did what Mr. Depew, with all his wit and all his likability, never could have done. Through the sheer force of his winning personality, through the fact that he had in the beginning been one of them, known himself their problems and the trials of the ordinary railroader, he swung West Albany back into line. Other shops have since returned to the road's direct management. But West Albany never went out. Crowley saved it for the road. It was not as a mere compliment that he was made president just the other day. He earned the big job.

He earned it in more ways than one. When in the old days down at Corning a trainmaster reported a freight engineer for suspension because he had refused to take a run, and the engineer had told Crowley, then superintendent, that he had refused to leave the house because the kid had the croup, the "super" merely wrote on the docket, "Did your child ever have the croup?" and told the engineman to go back to work that day. The news of that little thing went all over the eastern end of the system. Do not think that all the news upon a railroad goes by wire or letter. There is an invisible radio that carries it more swiftly than the visible sort. Upon that invisible radio railroad executives, otherwise highly capable, fall—or rise. On it Crowley has always risen.

It was this same sort of a wireless that some years ago carried word that Crowley, just come to the post of vice-president of the Central, had gone up to Cattaraugus to see the folks in the old town, but had left his handsome office car—an important perquisite of an important position—back at Hornell, while he took passage in the day-coach of an Erie local train. That thing spread like wildfire. In referring to it Crowley has always said that he left the car behind as a mere operating convenience to his Erie friends, but those who know him smile at this explanation. They know that he left the car behind so that the folks up in the old town would not think him putting on the thing that the old conductor just called "swank." In his sincere desire for personal simplicity he leans backwards. Somehow, somewhere he has attained the fundamental idea that a real gentleman is a man of simple manners. And no one who has known Crowley at any time within the past forty years can say truthfully that he is anything less than a gentleman.

Once when he had discharged a typical tramp "boomer" who had been working as a brakeman up in the great yards at Watertown, the man came down from the "super's" office with his face all agleam.

"But Pat canned you, didn't he?" said one of his fellows whom he met upon the stair.

"You bet he canned me. But it was the way he did it that got me. For the first time in my life he made me feel like a gentleman; and it was worth being fired just to feel that way. He's a gentleman always, the super."

A gentleman always. A gentleman of deferential manners, but with a firm will back of them. You find your way to his new office on the corner of an upper floor of the New York Central's big headquarters building at the rear of the Grand Central Terminal—a fine, square, sunny, simple room, in which there sits for long hours a newly come railroad president, as square, as sunny and—in his manner at least—as simple as the room itself. You ask him to talk about himself. He prefers to talk about his railroad. He is immensely proud of it—not merely of its size, of its fine operating records, of its possibilities for vast expansion, but of the fact that it is today taking some very forward steps in perfecting American transport.

How the Road Is Saving Brick

"LOOK at that new building over there," Crowley's hand points across the maze of railroad tracks in the terminal yard to a huge hotel just finishing upon the far side of them. "There's a lot of brick goes into that structure, many times as much into all the new buildings that are going up in New York today. Yesterday almost all that brick came down the Hudson in slow-moving scows. It was dumped at the piers over on the west side of the town into wagons and dumped again when it got to the sites of the new buildings. All of that broke a lot of brick. It was at best slow, tedious, expensive."

"Today, on this railroad, we are handling that brick in great steel containers, ten or twelve to the flat-car. Breakage is reduced to an absolute minimum, time is saved and the railroad made of larger service to its community. That's my notion of what a railroad ought to be—a real public servant to its community."

It is because the New York Central aims to better serve its widespread community that it is rapidly increasing its container service, its correlated motor-truck services; that it is completing its tremendous new bridge over the Hudson just below Albany; that it has put a man of the type of Patrick E. Crowley in as its executive head. A. H. Smith used to say that a railroad was 95 per cent the men that worked for it. No one knows this to be true more than Crowley. He is working with his men, not above them. That is why, so long ago, he began winning their affection, their enthusiasm, their cooperation. Without these he never could have been president today of the largest railroad in the land. These things he knows and, knowing them, seeks to increase their use.



New York Central freight yards at Weehawken, N. J., opposite Manhattan Island

To Meet the Budgets We Leave Behind

By JOHN ALFORD STEVENSON

Second Vice-President, The Equitable Life Assurance Society of the United States

SIZE, apparently, is what most impresses the public about the life insurance business at the present time. Every few days an article appears in one of the daily papers commenting on the fact that the amount of insurance in force in this country has passed the fifty billion dollar mark, or striking headlines tell of individuals who carry life insurance running into millions.

Those who are in close touch with the life insurance world know, however, that the life insurance companies are not concentrating their efforts exclusively on increasing the quantity of their business, but, at present, are devoting their attention to improving the quality of the product they offer to the public.

The underlying purpose of life insurance, of course, is not to extend a man's life, but to extend his economic value into the future; in other words, to step into his shoes financially that his plans for his family or his business may be carried out. Naturally, these plans vary with the individual, so present-day life insurance provides a variety of plans designed to meet individual and distinct needs. In order, therefore, that life insurance may carry out its purpose effectively, the companies are emphasizing the importance of using these needs as the standard by which to measure the amount and type of insurance that should be carried in the individual case.

For Future Family Protection

WHEN we stop to consider why men carry life insurance, the fact is perfectly obvious that this insurance should be considered in terms of the needs it is designed to fill. Yet it is not an exaggeration to say that the average man gives more thought to the problem of the type of car which his income will permit him to buy for his family's pleasure than to the amount and type of insurance he should carry for his family's protection.

Take the case of John Smith, a young man who had received a business promotion with a considerable increase in salary, and who was interviewed by an acquaintance in the life insurance business. Smith admitted that he ought to increase his insurance since he carried only \$2,000; he figured he might even take \$25,000, and asked what the premiums would be on the twenty-payment

life plan. The life insurance solicitor, of course, gave him the figures, but remarked that if he had an idea of the particular needs Mrs. Smith would have for funds in case anything happened to Smith, he might be able to suggest a more satisfactory insurance plan which might require no greater yearly outlay.

An analysis of Smith's financial situation brought out these facts: Mrs. Smith would have to depend largely on the life insurance funds for her income; in addition to paying the living expenses of herself and her son, she would be faced with the problem of paying off a \$5,000 mortgage; also, she would have to provide for the college education which she and her husband both wanted their son to have.

The solicitor, therefore, suggested the settlement of Mr. Smith's \$2,000 policy in a single sum to pay immediate expenses arising at the time of Mr. Smith's death; term insurance to cover the mortgage, which Mr. Smith hoped to pay off within ten years; and an ordinary life policy of \$33,000, the insurance company to hold the funds on deposit at interest during Mrs. Smith's lifetime, with the provision that \$3,000 might be withdrawn when needed to pay John Smith, Jr.'s, college expenses. The interest on this latter policy was to be paid to Mrs. Smith in the form of a guaranteed life income, the principal being held intact for John Smith, Jr.

There are cases, of course, where a twenty-payment life policy for \$25,000 would carry out certain purposes better than the plan suggested by this life insurance salesman. In Smith's case, however, it doesn't take much business acumen to decide which plan would provide more adequate protection for Mrs.

Smith and John, Jr., if Mr. Smith should die; while the annual premiums for insurance arranged to meet the family's particular needs would be slightly less than those required for the plan which Smith first had in mind.

The use of the "insurance yardstick"—that is, the measurement of the amount and type of insurance by the particular needs it is to meet—does not necessarily involve a larger outlay for insurance, and, in some cases, not even additional policies are

required. But a necessary preliminary to measuring how much additional insurance a person needs, is to get a clear picture of what that person's existing insurance will accomplish.

For example, a man who is carrying \$50,000 of insurance may consider that he has adequately protected his family. Suppose, however, a competent life insurance representative makes a digest of the policies the man holds and suggests the following arrangement of his insurance:

Amount of policy	Purpose	Beneficiary	Settlement
\$1,000	To pay current bills	Wife	Single Sum
2,000	Inheritance taxes and administration expenses	Wife	Single Sum
2,000	To cover mortgage	Wife	Single Sum
5,000	To cover mortgage	Wife	Single Sum
5,000	Son's college education	Son, Wife as Trustee	8 Semi-annual installments
5,000	Daughter's college education	Daughter, Wife as Trustee	8 Semi-annual installments
30,000	Family income	Wife	Life income to wife, principal held intact for children.

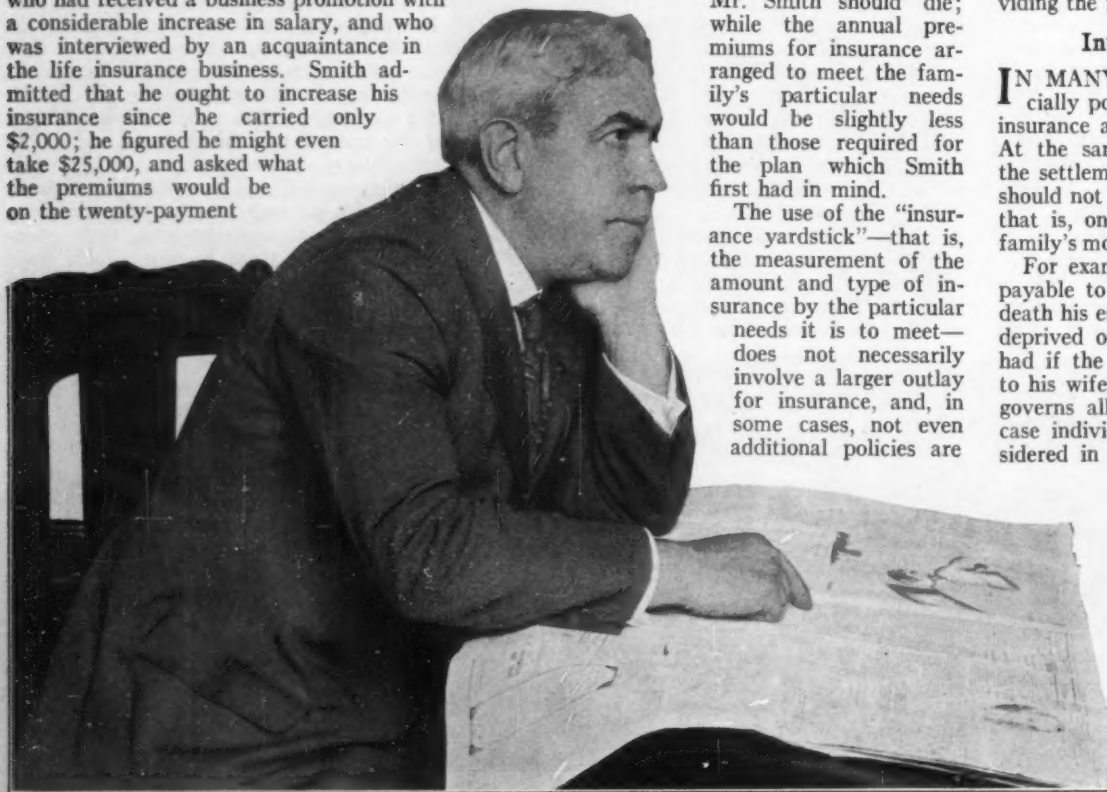
The man himself probably will be the best judge of whether or not the \$50,000 will meet his family's needs, since this decision must be determined largely by the scale of living to which his family is accustomed. But, obviously, to make this judgment accurate, he must first consider the insurance he is carrying in terms of what it will do toward providing the funds which his family will require.

Intelligent Plan Essential

IN MANY cases, of course, it is not financially possible for a man to carry as much insurance as he would like or ought to have. At the same time, there is no reason why the settlement of the insurance he does carry should not be arranged on an intelligent plan; that is, on the plan that will best meet his family's most important financial requirements.

For example, if a man's insurance is made payable to his estate and, at the time of his death his estate is involved, his family may be deprived of protection that they might have had if the insurance had been made payable to his wife. There is, of course, no rule that governs all cases of this kind, but in every case individual circumstances should be considered in arranging the settlement of insurance policies.

Some time ago there appeared a criticism of the American press which stated that "the average editor overestimates the public's information, but underestimates its intelligence" and I think this criticism might well be applied to some of those who have been responsible for the sale of life insurance. We have taken for granted that people are well informed as to how life insurance protection should be measured



and that they know enough about what life insurance can do to determine how much and what type is needed; also, we have failed to realize that when the public sees its need for a certain product, it buys it. So, instead of pointing out these needs, we have stressed the possibilities of returns, cash surrender values, and dividends as the selling points of insurance.

Within recent months a man who had been a successful manufacturer in one of the western cities—we will call him Jones—decided to come to New York. He was well known to the trade and people were willing to extend to him long-term credit because of his ability and integrity. He went into partnership with another man, who had been a successful salesman, and together they established a business which promised to become a money-maker for years to come.

In the early months of the partnership, however, Jones died suddenly, and while the partnership agreement had provided for the purchase of a deceased member's interest by the survivor, the survivor in this case could not raise sufficient capital.

The companies which had been supplying the raw material were quite naturally anxious about their accounts and immediately made demands on the business for payment. Since the nature of the business made it impossible to realize cash quickly on outstanding accounts, and since the business had been established more or less on Jones' reputation, with comparatively little capital, Jones' family was confronted with the alternative of paying to creditors the larger part of the personal estate which he had left, in order to hold out until the business could be sold at a profit, or of quickly selling the business to some likely buyer who could finance it and who would be willing to take the chance of running it successfully.

Business Sold at Sacrifice

IT WAS extremely difficult, of course, to find a purchaser who answered these requirements. Since the Jones family were unwilling to risk what money they had, however, the business was sold for less than half the inventory value of the stock.

Neither of these partners had failed to provide a certain amount of personal life insurance for the protection of his family. Yet both had failed to consider one of their greatest needs for insurance—the need for funds to protect the business in case either died—with the result that the surviving partner had to give up the idea of continuing the business for himself, and the deceased partner's family received a very poor return on the investment.

More and more is the life insurance world coming to take the point of view that unless the policyholder gets the kind of policy, the kind of settlement, and, as nearly as possible, the amount of insurance his beneficiaries will require, he has not been given efficient life insurance service. For this reason the companies are stressing the needs which insurance meets, and, through training courses of various kinds, are making an effort to send out as representatives only those equipped to render efficient and up-to-date insurance service. At the same time, the quality of service which the company and which the most up-to-date life underwriter can render to any man depends a great deal on the man.

Planning insurance in terms of needs, in

the average case, isn't a complicated affair at all. It merely involves listing on one side of a sheet of paper the approximate amounts which are needed to maintain the family at the present time, making allowance for the fact that there will be one person less for whom provision must be made. For example:

1. Food
2. Clothing
3. Coal, gas and lighting.....
4. Rent
5. Taxes, and interest on mortgage...
6. Education and recreation.....
7. Doctor and dentist.....
8. Church and charity.....
9. Incidentals
10. Total monthly expenses.....
11. Deduct personal expenses.....
12. Net monthly expenses of family... \$

Then, on the other side, the funds which will be available to meet these expenses, such as:

1. Interest from cash in bank..... \$
2. Mortgage interest.....
3. Liberty bond interest.....
4. Rents.....
5. Bonds and stocks (Income).....
6. Income from business or profession.
7. Income from life insurance invested at %.....
8. Total monthly income to family... \$

There is no difficulty in finding whether or not there will be a deficit; if so, how much, and in what way the money should be paid to meet this deficit. In other words, if the family will have sufficient income to meet the household bills, but if the education of the children will be a heavy drain on this income, funds to cover such additional expenses should be supplied, to be paid during the years when the children will be at school or college.

If the raising of money to pay inheritance taxes will eat into the heart of the estate, especially if death should occur in a period of business depression, then a certain amount of ready cash should be provided. Likewise, if the family income is not sufficient to cover general living expenses, at least enough insurance payable on the monthly income plan should be carried, if possible, to eliminate the danger of financial hardship.

If a man will be honest with himself in

making this personal accounting, he will be in a position to judge for himself whether or not he needs more insurance. Should he find uncovered insurance needs, there is no more reason why he should wait for the insurance solicitor to call on him before procuring that insurance than there is for waiting to have a man from an automobile service station come to interview him before buying a spare tire which he may need on a trip.

It is advisable for the layman to consult a competent life underwriter in order to get the most satisfactory results in planning an insurance structure for the same reason that it is advisable for a man to consult a competent architect to get the most satisfactory results in planning a building.

Individual Needs Vary

ONE man may be chiefly interested in creating an estate for his children; another in the income he can provide for his wife; a third in protecting his business so that his family's income may come from that source; and a fourth in laying aside funds to pay off a mortgage, or for the children's education, or for a special bequest. Also, a man may want to provide an absolutely certain income for his own old age.

Modern life insurance covers all these needs but, as we have said, the arrangement of the insurance will differ in individual cases. It is the responsibility of the life underwriter, or in some cases the life insurance company, to submit a practical insurance plan, an individual rather than a blanket plan designed to meet the needs of the individual case.

It is unnecessary to state that we have not yet arrived at the point where all insurance sold is considered in terms of the needs it is to meet. Probably, at the present time, the greater number of policies are sold on the basis that insurance is a good thing and the more you have the better off you are. This is perfectly true as far as it goes. But, if the person who lays aside funds to provide family or business protection will go one step farther and calculate the amount of insurance he should carry by the needs it is intended to meet and will see that the settlement of this insurance is arranged on the plan that will best meet those needs, he will, in reality, insure his insurance.



Mass Buying and Mass Selling, Too

By EDWARD A. FILENE

IF A CHANGE in business methods is worth making or an article about it is worth writing, it is because that change—that new method—will in the end help the consumer to get more for his money. An effort to untangle the snarls in our distribution system is only justified as it helps to lessen the cost of living. "Service" is an overworked word, but real service is the thing that business must give if it is to go ahead on the safe middle road between that extreme of individualism which can see only profits and that other extreme of state regulation, state price-fixing, state socialism.

Distribution is not an end in itself. It's only a road from producer to consumer. Unfortunately it is a road that at present is far too rough and too roundabout. One of the things that will smooth and shorten that road will be mass buying.

We are wasteful enough in this country, both in making and selling goods; but I believe that the latter is the greater offender. I sometimes say—and I mean it—that I shall die disgraced as a merchant, for in my lifetime the spread between production cost and what the consumer pays has widened, whereas I and my fellow merchants ought to have made it narrower.

Chain Stores Here to Stay

NEVERTHELESS, it can be narrowed; and mass distribution is one of the ways of doing it. That is why I ventured at the last annual meeting of the Chamber of Commerce of the United States to predict that the time was near at hand when the chain store idea would be so developed as to include chains of department stores.

I have been called a heretic for the suggestion, but I would make this plain: my idea is not revolutionary; it is evolutionary. The chain department store is in existence now. It is, I believe, bound to grow; and the wise merchant is the man who will recognize the facts and adjust himself to them.

The existing chains of department stores are of several types. There are such chains as Gimbel Bros., owning stores in three or four large cities. At the other extreme is the J. C. Penney Company, which not long ago opened its five hundredth store. These stores handle modest-price goods and are largely in small communities. The May Department Stores Company has a chain of four stores in larger cities. These were consolidated from half a dozen companies. Recently the S. S. Kresge Company, owning a large number of 5- and 10-cent stores, has laid the foundations of a chain of department stores. I could multiply instances, but that is enough to show that the chain department store is already with us.

But we are only on the edge of the development of this idea. Just as the department store outdid the individual small store, so for the same reasons the department store chain will overshadow the present chains.

The coming successful department store chain will be an aggregation of department stores of which the similar department of all the stores will themselves constitute a chain within the main group. For example, all the shoe departments will be operated as a chain of shoe stores, in charge of a merchandise man who in ability and experience will be equal to the merchandise manager of a separate chain of shoe stores.

Each department store of the chain will be

under a local manager, partner or owner, who will have leeway for adjustment to local conditions. He will, if he pays due regard to the general fundamental policies of his chain, have as much authority in taking action and dealing with local problems as any of his competitors.

Let us see whether the department store chain really can meet and beat the competition of the chain stores. A chain store system doing a business of \$5,000,000 a year has a higher degree of buying effectiveness than a department store doing a business of \$25,000,000. The chain of stores doing a business of \$5,000,000 will have its buying-power focused wholly on a single line. The buying-power of the department store may be divided into 50 to 100 different departments, each handling one type of merchandise, or an average of \$250,000 to \$500,000 per department. A chain of 30, or perhaps fewer, such department stores would, therefore, far exceed in each of its 50 or 100 department chains the buying-power of a chain of the size mentioned; that is, provided that the buying-power of the 30 department stores is consolidated as is the case in the present small-store chains.

Out of such an organization should come true mass buying—buying on an adequate scale the output of a mass production. When we get real mass buying, the concentration of a single manufacturer's business in just a few very large retail organizations—possibly even wholly in one—and on standardized goods, will enable the manufacturer to make only what the retailer wants made, will agree to buy and has scientifically determined that he can resell to his customers.

The manufacturer will need no salesmen. The manufacturer and retailer will be able to cooperate and plan together to diminish the irregularity of production—the costly succession of alternate "rush season" and "dull season." The well-known policy of the "even load" will save large sums in the cost of the product.

Better Staff Men Possible

THE department store chain will have all the other advantages of the small-store chain and, I believe, to an even greater degree. A single-line chain doing a business of \$25,000,000 a year can afford better staff men and experts than a department store doing a business of \$10,000,000 a year; but it could not afford as good men as a chain of 10 or 20 or more such department stores united.

Just as truly as the department store, with its greater purchasing power, was able to offer customers a higher grade of service than the individual small store without being undersold by the small store, so will the department store chain, I believe, be able to meet and beat the prices of the single-line chain and yet give all the services which a department store now gives.

The department store chain will have one more noteworthy advantage over the single-line chain. The adaptation of the standardized system to local conditions and the responsibility for the cases which the rules and regulations do not cover satisfactorily, will in each type of organization be under local management. In this respect the effectiveness of this phase of the operation should be just

as much more effective in the department store chain as the manager of a department store would exceed in ability, wisdom and experience the manager of a small branch store of a single-line chain.

The department store chain will succeed, principally because it is a machine highly adapted for mass production and mass distribution. No machine that is not built for these two conditions will succeed permanently under the rapidly coming changes in distribution.

Every practical distributor will at once see that a chain of department stores will possess numerous advantages which cannot be enjoyed by individual department stores. The increased purchasing-power with its lower prices achieved by chain organization has already been mentioned. It will make possible for the manufacturer the concentration of his production on a few styles at a single price, or at very few prices, with a definite knowledge as to retailing outlets and the consumers' demand in those markets. This standardization will bring about the elimination of the needless variation which is largely necessary to the producer under the present system of distribution because of his uncertainty as to the consumers' wants, and his inability to rely upon any specific retail store for bulk standardized orders.

A Benefit to Manufacturers

THE closer cooperation between the department store chain and the manufacturer will make possible a better arrangement as to reserve stocks and reorders. At present, almost every order of a department store to a manufacturer is a new transaction, often too small to be profitably produced alone. In the case of the department store chain it will be possible because of the close cooperation and the enormous amount of business involved, for the manufacturer to adjust his production much better to the sales volume of the retailer, and thereby make the goods substantially as rapidly as they sell, so that the department store chain, instead of carrying large reserve stocks, will be able to do business with an insignificant reserve stock constantly replenished with new merchandise from a reserve stock kept by the manufacturer without danger of loss to himself.

Let me illustrate the kind of arrangement that would be possible: Supposing that the process of manufacture of a certain article takes 16 days. The manufacturer might then keep on hand a finished stock equal to three weeks' demand. From this he would fill the retailers' reorders, and at once start production on the goods to replace in his three weeks' reserve the amount taken by the retailer out of that reserve.

Thus department store chains can be made the means of bringing about a rate of stock-turn for both manufacturer and retailer beyond the possibilities of our present system of distribution.

Also, because of the shorter time elapsing between the beginning of the manufacture and the appearance of the finished product in the retailer's forward stock, the suggestions and criticisms of customers can be reflected much more quickly in the subsequent output of that article. Then, too, the amount of stock on hand to which the criticism is applicable would be materially less, and a lower rate of markdown losses should be the result.

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prices depends principally upon our ability to reduce not only our cost of merchandise, but also our distribution expense. To begin with, the department store chain will have the advantage of making the knowledge, ideas, and experiences of each store at once the common property of all the stores. In other words, its degree of efficiency will not be the average of an equal number of separately owned stores, nor even limited to the highest standard of efficiency in any one of those separately owned stores; rather will be nearer the highest standard to be found in any one of the stores of the chain *plus* all the improvements, constructive ideas, suggestions and experiences that arise out of all the other stores of the chain to elevate that standard of efficiency still further.

That standard of efficiency will be served greatly by the higher grade of experts which the department store chain can employ. They will be able to standardize the administrative and operating functions of all the stores of the chain, with great benefit to the chain.

However, these experts may cost each store of the chain less than mediocre executives. For example, if there are twenty independent stores, each employing an advertising man at \$5,000 a year, and those stores form themselves into a chain employing a \$40,000-a-year man, whose publicity will be used by all twenty stores, not only will the publicity be of higher quality, but will cost each store, on an average, \$3,000 a year less. In the same manner other expenses of the business can actually be reduced by such an organization.

The lower markup, made possible by the reduction in expense rates and the percentage of losses, should lead to a steadier stream of buying on the part of the consumer. At present, the average big store is busy selling less than one-half of the time, and a great many small stores less than one-third of the time. With these increased inducements, which can be achieved by the small stores only if they organize in chains, and even then only in part, the big stores will be able to keep busy a greater portion of the time. The better values which will result will be a drawing power that will win many people away from their habits of buying at the most convenient store, buying without "shopping around," and believing that it is a sign of "nobility" to buy without shopping or questioning the price.

How will these chain department stores of the future start up? Three obvious methods suggest themselves:

1. Owners of now-existing stores may establish other stores in other cities.

2. Existing stores in several cities may consolidate into one big chain.

3. Chain stores now existing might broaden their field to become department stores. Woolworth's and the other 5 and 10-cent stores are in a sense chain department stores now, but their stocks are limited by price levels. It would not be a long step for them to expand, not only in the variety

but also in the price of the goods they carry.

All three of these suggested methods are possible and to a greater or less degree, I think we shall see all three developments occur, but I'm inclined to think that we shall see chain department stores develop more noticeably and sooner along still another line. I think that we shall find existing stores at strategic points far enough apart to avoid any rivalry, uniting to accomplish certain definite purposes but still maintaining their separate identities towards the shopper.

What Mass Orders Really Mean

AN IMPORTANT part of the strength of such an organization lies in its mass-buying power. Picture ten large stores in ten large cities with one buyer of hosiery. He'd be, as I have said, highly skilled and highly paid. He, with these stores back of him, could say to a manufacturer:

"We can use in the next six months so many thousand of dozens of stockings if they meet these specifications. You can profitably make them at a specially low price to be

jointly agreed on, because this order will keep your factory running evenly over a long period. You will not have to face alternating periods of unemployment and overtime. Your selling expenses will be at a minimum. Moreover, if you can produce more than we order, you can probably dispose of them, for you need only say to stores not competing with our group that your goods and prices meet our requirements to find a ready acceptance."

That's well within the bounds of possibility, and the opportunity of lessening distribution costs and passing the savings on to the consumer is very real and very great.

The natural question arises: How is the manufacturer going to like this? Is he going to feel that the manufacturer dog is being wagged by the retailer tail? I think it not unlikely that there will be some friction, some rough places to be ironed out; but I think that the difficulties will not be great. Manufacturers of goods sold through department stores will, I believe, find the security that comes with large orders which can be spread over a reasonable time well worth having. Such orders will help to stabilize their industries, making it possible to avoid unemployment on the one side and overtime on the other.

In any consideration of this development of retailing—the chain department store—there is certain to come up the question of its effect on nationally advertised brands. I think that as the strength of mass buying is developed, we shall see nationally advertised goods, at least such as are sold through department stores, put to the "service test."

They will succeed just as far as they are better goods at less price, and they will fail if they are simply better advertised goods. We are entering into a period of intense competition, a competition which will amount almost to a revolution in production and distribution; and goods cannot survive this test solely by means of advertising.

The danger for the nationally advertised brands in an era of intense competition is greater than is generally supposed. They are threatened by their very success. Basically they are driving toward the right goal—mass production and mass distribution—towards which we are all striving. But as the makers of these articles succeed, they are apt to relax; and if past history is any guide, prices are advanced to the distributor to the point where he can no longer afford to handle them even in face of a strong demand; or on the other hand, if his protests are effective, the price is lowered but at the expense of quality. In my own



It's a far look over the shoulder from the American department store of today, stocked with merchandise of infinite variety gathered in the lands of the Seven Seas, back to this old merchant of Grecian Salonica, still engaged in primitive methods of trade and barter, making a store of his doorstep, keeping his few bolts of cloth within arm's reach.

And now focus the eyes of your imagination on the horizon of the future, on the department store that Mr. Edward A. Filene, the Boston merchant, pictures here. If his prophecy comes true and chain department stores materialize, the effect will be just as revolutionary as was the change from the traveling peddler of a century and more ago to such modern central trading marts of Marshall Field's of Chicago, Halle's of Cleveland, Macy's of New York.

Nor will the change affect the department store business alone. American Business generally will be affected—manufacturing, wholesaling, transportation and almost every other agent in our economic life.

recollection as a merchant a great number of outstanding nationally advertised articles which once seemed to control the market have disappeared, not because there was organized opposition on the part of shopkeepers, but because this very thing happened. We couldn't pay our rent and our other expenses out of the margin allotted to us.

One manufacturer put the situation very baldly and very clearly when he said in answer to complaints made by the distributors that they couldn't handle his product with profit:

"Drug stores handle postage stamps without profit, because they bring people in; and advertising will make my product the postage stamp of your business."

Multiplication of brands has been one of the problems of the retailer and one of the problems which mass buying through chains may help to solve. There have been in many lines, as for instance, stockings, a number of brands of equal price and presumably equal quality. The retailer is faced with the task of selection. If he carries all, the burden is enormous. If he doesn't carry all, an unsatisfied demand stimulated by increased advertising may cost him customers.

The chain department store will be able to meet this situation by large buying and, I hope, lower prices. I am far from saying that advertised brands will be put out of business. The best of them will survive, and they will survive because they meet the test of price and quality. I do believe that we shall see a change in the tone of advertising—more appeal to reason and less to emotion. Women and men will be told more about the materials, quality, and cheapness of advertised articles.

Take the automobile. More and more the advertiser will show just how and why the man with \$4,000 a year can afford to buy his automobile, what the expense and what the

savings will be; and it will be more convincing than the advertisement of "out in the open spaces where nature calls."

Already there are many widely advertised goods handled by far-sighted men who see the future much as I do and are shaping their plans accordingly.

One result on the marketing of standard nationally advertised brands may well be an extending of the efforts to market them through chain stores controlled by the manufacturers. We might see a department store devoted to these chains, each department separately owned but united for convenience and economy. I can imagine, though I am skeptical as to its success, a store which should house a retail outlet of one maker of men's clothes, another of men's shoes, a third of hats, a fourth of shirts, and so on, giving the buyer a chance to outfit completely under one roof with advertised goods with whose names he is familiar.

Buying to Meet Varied Tastes

ANOTHER question that is raised in regard to the chain department store and its mass-buying power is this:

How can mass buying be handled to meet the variation in style demand in different sections of the country? We are often told that St. Louis and Cleveland, Chicago and Philadelphia, Denver and Rochester, won't take the same things.

There is, of course, truth in that, but in my opinion not so much truth as many think. Style is a potent factor in buying, and there's a geographical factor in style, but it is growing less, I think.

We tend towards a standardization very strongly. In almost any line 85 per cent of the sales center around about three prices. In shoes, for example, we might put those prices at \$4, \$7 and \$10. The well-to-do

buyer and the average buyer meet in the middle. What the latter buys for best, the former buys for everyday wear, and style is not an extreme factor. We mustn't forget that Chicago and New York are much nearer than they used to be and are getting nearer. More New Yorkers see California every year, and all that interchange of persons and printed matter tends to make standard styles more acceptable. Of course, we shall go on taking care of the 15 per cent at the top of the buying ladder who want something more or less to themselves, but they are not by any means a controlling factor.

This mass distribution would, I think, alleviate some of our noticeable sore spots of distribution. One of the evils of the dry goods business, particularly in ready-to-wear clothing, is the "overnight order," the result of the sudden discovery that there is a real or imaginary call for a certain fabric or style. The retailer rushes an order, which the manufacturer fills in a like hurry. The goods are not what the retailer thought he wanted. There's a cancellation or a demand for a refund, and a resulting mess. That's a very real evil in some industries and one that chain department store buying planned in advance and logically worked out would do much to cure.

I have tried here to point out some of the ways in which chains of departments will function and some of the obstacles they must meet. But most of all I want to impress on the readers of THE NATION'S BUSINESS that in my opinion they will see great development on this line not in the distant future, but in the next five or ten years, and perhaps in the next three.

And it is not a revolution in business, but an evolution, an adding to the benefits of mass production the benefits of mass distribution.

A Woman of Vision Builds a City

By MAYME OBER PEAK

THE ONLY woman on record who ever built a town is Mrs. R. E. Barrett, of Warrenton, Oregon. She has the further distinction of managing the town, and of being the only woman in the country appointed to such position.

The house in which she was born was cut from the sod. The nearest railroad was 180 miles away—eight days by ox-team. Until she was sixteen her only glimpse of "culture" was obtained at rural schools.

One would imagine that running an industrial city in the northwest, where a large majority of the inhabitants are of the laboring class, is a man-size job, and that it would take a mannish woman to do it successfully. On the contrary, Mrs. Barrett's femininity, her woman's way of doing things, has been the town's greatest asset.

When I called on her at the Willard Hotel, in Washington, during a visit to the capital in the interest of an item in the Rivers and Harbors Bill for the survey of Warrenton-Astoria Port, Mrs. Barrett proved a surprise. She was exceedingly well dressed, and looked as feminine as any other woman met in Peacock Alley.

"I was appointed manager of Warrenton," she told me, "because the mayor and commissioners knew I had faith in it and wouldn't give up when things got tough. That's the secret of building any business. The only difference between success and failure is having the nerve to keep on when everything goes against you."

It was on this theory that Mrs. Barrett

worked when there was nothing between her and starvation but a few dollars—borrowed at that! When quite young she made an unfortunate marriage. Suddenly one day in Portland, Oregon, where she was then living, she found herself thrown on her own resources without a cent in the world.

Having no training nor education to speak of, attempts proved futile to find work that would enable her to do more than eke out an existence. Too proud to let her family know of her plight, she borrowed \$50 from a friend and plunged into real estate.

Starts Business on a Shoestring

SHE had always got her living from the soil and instinctively turned back to it. On a motor trip to Warrenton, from Portland, she had been attracted by its water front; and believing that it had big possibilities, went there to look it over.

"It drained 350,000 miles," she said, "and was the only grade route to the Pacific on the entire coast. It seemed to me that the tonnage from this great inland empire must seek the easiest way to the sea, and naturally build a city there."

"The first day there I walked thirty-five miles. I made a complete survey, returning to Portland satisfied that a fortune for myself and others could be made in Warrenton."

"I had only \$7 left of my borrowed money. With \$5 of it I rented an office in Portland,

paid \$1 down on some second-hand furniture, got a telephone put in on credit, and opened a real estate business—capital \$1 in cash.

"With that lone dollar to back me I obtained an option on a piece of property in Warrenton. 'I believe I can sell real estate,' I told the owner. 'Give me thirty days to find out. A chance is all I want.'

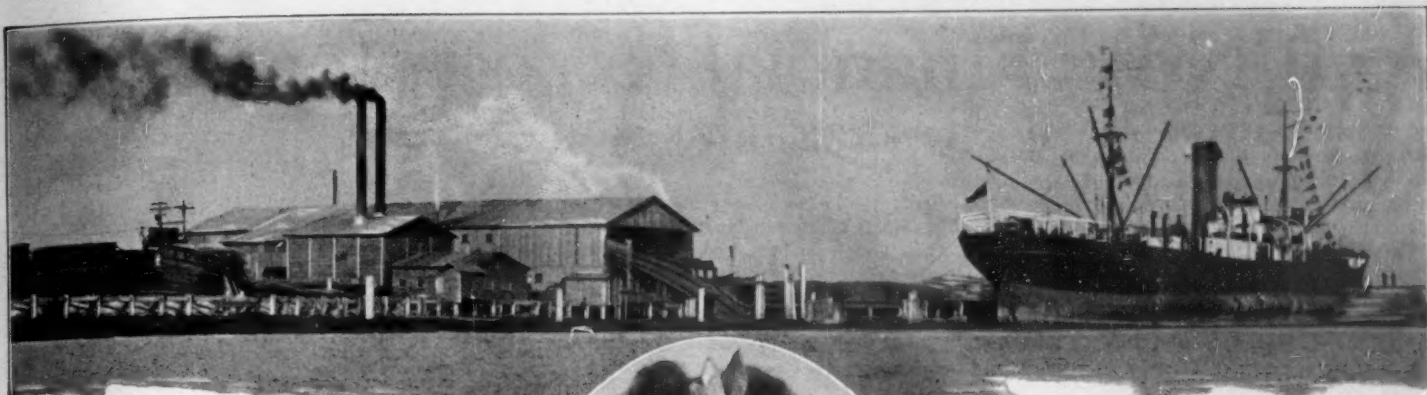
"Property, of course, was in no demand in Warrenton, so I got the chance. On the twenty-ninth day I was about to acknowledge I was beaten when the impossible happened. I sold that property for enough to pay for it and net me a profit of \$1,000."

"I bought up other options in Warrenton. I was about launched when war was declared. I knew it was useless to try to sell real estate then, so I took the examination for chauffeur in France. But my two brothers got ahead of me. They went across, and the ban against relatives prevented my going."

With fate tying her down to Warrenton, Mrs. Barrett cast about for some way to make the war help instead of hinder.

"In order to build our town, we had to have tonnage," she explained. "We had salmon and timber, but not enough to bring the number of ships we needed. We must have cargo to fill more ships. The idea occurred to me that now was the time to go after Montana wheat. Rather than ship it a thousand miles by rail to the eastern market, why not route it west, thus relieving the railroad congestion?"

"Every year when the middle western



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The Skippon Channel and the industrial frontage of Warrenton where the city owns one hundred acres for free grant to new manufacturing concerns

farmer got ready to market his wheat, the elevators were full, he could get no cars, and by the time he could ship his wheat to market the price had fallen ten to twenty cents a bushel. Then he had to take what the east gave him."

With this argument Mrs. Barrett hied herself to Montana to present it to the railroad commissioner at Great Falls. When the logic of what she had told him had sunk in, the commissioner went to Warrenton to make an investigation, with the result that, when he returned, a special meeting of the cooperative farmers' organizations was called. Thirty-five delegates, representing a membership of 400,000, attended, voting to send a committee to Washington to confer with Secretaries McAdoo and Hoover as to shipment of Montana wheat via Pacific ports.

Wheat Goes Down the Columbia

MRS. BARRETT also got in touch with the New York Waterways Commission. "We have the raw materials, and you have the manufacturing plants," she stated. "The Panama Canal is built; let's use it." And she presented facts and maps that made the commission sit up and take notice.

Three months later things began to happen. A 7 per cent preferential rate west was granted on Montana wheat. And shortly thereafter the first car of wheat ever routed via a Pacific port was on its way, the beginning of the golden stream that flows down the Columbia River today.

"The day I left the port of Astoria to come east," she told me, "there was so much wheat in the elevators and flour mills that there were not enough ships to load it. Every siding between Astoria and Seaside was full of wheat."

On March 18, 1923, a telegram offering Mrs. Barrett the position of manager of the city she had helped to build was delayed in reaching her, as she was just returning to Portland from California. News of her appointment leaked out; and when she arrived at the Multnomah Hotel, a group of reporters were awaiting her.

"What do you want with me, boys? I haven't done anything!"

When they broke the news, she was astonished, as she was not an applicant for the position and did not know she was under consideration.

"Don't ask me any questions I ought not to answer," she pleaded. "This is my first interview, and I don't want to say anything foolish, or do anything that will reflect on my sex. If I take this job, I'll have a stand-



In oval: Mrs. R. E. Barrett, who built the Oregon city she now manages, a woman of masculine vision and competence but not without femininity

ard to uphold for women as well as to succeed in the work. You know what a lot of opposition I'll have to overcome and I'll need your help."

Mrs. Barrett's heart-to-heart interview brought remarkable results. The stories that were broadcast about the lady manager of the thriving little city of Warrenton brought several thousand letters in less than a month. Mrs. Barrett had to hire a secretary and two stenographers to take care of the mail. In her campaign of publicity she ran \$480 in the hole (including her salary) the first month!

To keep a check on her enthusiasm, Mrs. Barrett appointed five of the leading business men of Warrenton to act as her advisory board, at the same salary she is receiving, a dollar a year. They meet with the mayor and city commissioners twice a month.

Mrs. Barrett appointed several committees—on housing, civic improvements, river and harbor and so on—to cooperate with them, and also has an assistant manager, a Warrenton man, who attends to local affairs. "My main job," she says, "is to promote the city, get new people to live there, and new industries.

Offers Free Sites for Factories

"IN A NEW town we have to get new manufacturing to come. The best way to do that is to treat fairly the industries we have and offer every cooperation of the city government to new industries. The city has bought a hundred acres of industrial sites, served by modern transportation facilities, and we give these sites free to industries to come and bring a pay roll."

A few of Mrs. Barrett's "incidental" duties involve running the police and fire departments, the dikemen and the street department.

She has supervision of the schools, of parks and playgrounds, and of public health and sanitation.

She has to understand the laws that govern rivers and harbors, the need of foreign shipping and depths of water. She has to be responsible for the work of her city engineer in laying the grades of streets and parking so that the work won't have to be done over again at extra expense to the city. She has to issue bonds and O. K. all bills, and in making civic improvements must be careful not to incur indebtedness that coming generations will have to pay.

Her success in handling so difficult and many-sided a job is due largely to her ability to select the best timber in the way of assistants. "You cannot succeed," she says, "unless you can pick the right kind of people to work with you, because it is impossible to do everything yourself. And when you have picked the right people, trust them, and give them credit for what they do. You'll get more work out of them."

It's Great to Be a Fireman

MRS. BARRETT told one story of how she brought about harmony in the volunteer fire department, where every man wanted to be chief and run it according to his own ideas. In fact, the fire department was split wide open when Mrs. Barrett took charge.

She called a special meeting one night and heard both sides. She gave them a comradely little talk—no reporters present—and appealed to their sportsmanship. "We are all interested in the same thing," she said, "making this town the best little town on the map. Let's patch up our differences and show other towns what an up-to-date fire department we have here."

She gave them a week to think things over. Meanwhile the city manager intimated to the best housekeepers in Warrenton that she didn't believe the fireboys felt they were appreciated, and that maybe a few sandwiches or something good to eat would not only go a long way towards changing that opinion, but make their next meeting more "sociable." A hint was all that was needed. On the night in question donations in the shape of substantial rations, as well as some fine layer cake, were sent, and the "get together" turned out so harmoniously that the boys brought their stringed instruments and wound up with a dance. There was no more trouble in the fire department. Volunteers are now so eager to belong that they are willing to pay 25 cents a month for the privilege.

And Now Financial Experts for Export

By FREDERICK SIMPICH

AS INTERNATIONAL debts have multiplied, a new job—that of financial adviser to foreign governments—has been developed for American economists and banking experts.

This idea of the export of experts is not new. Persian masons centuries ago taught Arabs to build the arch; England in medieval times gave Europe textile mills; France sent us the X-ray; we showed the world how to control yellow fever.

But this borrowing of financial brains is a later development. More and more in recent years debtor nations seek the help of competent and impartial advisers from abroad, especially advisers from money-lending lands.

The effort of General Dawes and his staff to solve the reparations riddle is a familiar achievement. And now comes the League of Nations, borrowing American brains to help Hungary as it is aiding Austria. When W. P. G. Harding, of Federal Reserve Board fame, found he could not accept the league's offer, it turned to Jeremiah Smith, Jr., a Boston lawyer and financial expert. First with the A. E. F. and then with our Commission to Negotiate Peace—as counsel to the U. S. Treasury Department—Mr. Smith goes to his new job with an inside knowledge of Europe's money tangle.

Brains Follow the Bank Roll

IN MANY other lands American experts are on duty helping local governments to collect taxes and pay bills. But this choice of our experts is no measure of our popularity abroad. Nor should we accept it as a tribute to our superior ability or integrity. There are other reasons—probably more weighty—why so many Yankees now hold fiscal jobs under foreign governments.

Except Japan, we were the only big nation right after the war whose money was at par and whose budget balanced. Wherefore, many came to us for advice, for cash, or both. To help put their treasuries on a sound basis, Uncle Sam lent them his financial experts; or, American bankers, persuaded to make loans to these nations, did so only on condition that Yankee financial administrators be employed by the borrowing country to see that revenues were properly collected and the right share applied towards paying off the loans raised in the States. Today from Peru to Persia scores of these American banking, taxation and customs experts are busy giving sound advice to the nations hiring them and, wherever necessary, helping Uncle Sam protect American investments.

Peru affords a conspicuous example of what Yankee administrative skill is doing to put a once weak, backward country on a sound economic basis. In 1921 its Congress passed a law authorizing the employment of a foreigner to

direct its customs service and make needed financial reforms. So President Leguia of Peru asked our Secretary of State to nominate a suitable financial expert. Mr. Hughes named Dr. W. W. Cumberland, then economic adviser of the State Department. As assistants Cumberland chose various other Americans trained in our customs and revenue methods. To this group the President of Peru is giving his friendly, earnest support.

Peru's plight, till these Americans came, had been largely due to keeping too many people in easy government jobs and to extravagant purchases made on credit or through political favorites. Without reviewing his work in detail, it is enough to say that when Cumberland's task terminated in January, 1924, Peru not only had been able to float a loan in New York but she also had the highest percentage of gold reserve of any country in the world. A new bank, the first foreign bank to copy our federal reserve system, had been set up. While Peruvian law requires a gold reserve of 50 per cent against outstanding paper currency, actually such reserve on January 1, last, was 90 per cent and gold plus commercial paper amounted to 109 per cent. Credit in Peru today costs less than ever, and its bank has ample gold on hand to provide proper credit expansion for an indefinite period.

Incidentally, Peru is one of Uncle Sam's best friends. It even celebrates the Fourth of July, officially! American experts direct its public schools, health service, irrigation projects and its naval academy. In its mines over \$100,000,000 of American capital is invested. The American staff organized by Cumberland remains in charge of customs, revenues and banking. Plainly, it paid Peru to borrow brains.

For sheer human interest and excitement the adventures of that Yankee band now bat-

ting in far-off Teheran to save the financial hide of Persia are unique in the annals of these fiscal missions. There has even been some shooting. Hired by the Shah to do what his own ministers and previous foreign advisers had failed to do, these Americans are tackling every problem from tax-dodging tribal sheiks to grafting noblemen and opium smugglers. To get back taxes from the more powerful dodgers and from obstinate, hostile tribes in the distant provinces, the American financial mission has even used the Persian army. These troops, in turn, are vastly more efficient since American treasury control gave them prompt pay and better rations and equipment.

Arthur C. Millsbaugh, now Administrator General of Persian Finances, also was suggested by Mr. Hughes when the Shah asked Uncle Sam to recommend a capable Yankee for this tough job. His pay, with allowances, is about \$18,000 a year, and he has a five-year contract. A dozen or more other Americans are on Millsbaugh's staff as bank managers, directors of taxation, municipal and irrigation engineers, farm advisers, etc. Besides handling revenues, disbursements, sanitation and engineering jobs, these Americans also are struggling with opium control and battling the grasshopper pest.

Persia's Books Show a Profit

WHEN the American mission reached Teheran in November, 1922, Persia had no budget. The cost of the army alone exceeded total revenues. Now income pays all expenses and is paying up some arrears. No foreign loan has been necessary to accomplish this, but in connection with an oil lease to the Sinclair Consolidated Oil Company, an American concern, it is proposed to borrow \$10,000,000 in New York.

A typical case, showing how the interests of American buyers of foreign bonds may be protected at the source by American financial advisers, is shown in the Bolivian loan of 1922. Bolivia wanted to borrow \$24,000,000 in the United States, to build railroads and other public works. The Equitable Trust Company, through the Spencer Trask and Stifel Nicholas Companies, floated this loan. The Ulen Contracting Corporation, affiliated with Stone and Webster and the American International Corporation, is doing this construction work.

In the loan contract it is provided that until the bonds sold in America are redeemed, the collection of taxes and revenues in Bolivia shall be supervised by a certain fiscal commission composed of two Americans and one native, all named by the President of Bolivia. The present American members, Messrs. Whittaker and Macgowan, were recommended, however, by the Equitable Trust Company.

To get our help in pay-



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Flashing bayonets and barking field pieces backed up the authority of the American commissioners in Persia, and the tax-dodging sheiks, the grafting noblemen and opium smugglers of the Shah's realm soon learned that the Yankees meant business



ing off its debts, Santo Domingo, under a treaty with Uncle Sam, obtained refunding loans here. This treaty provides that an American expert shall supervise customs collections until these loans are paid. William E. Pulliam, formerly of the Philippine Customs Service, is in charge of Dominican customs. Since his appointment the financial chaos which once marked the customs administration has disappeared, and now the country's debt is reduced to about \$14,000,000. Its last loan, raised here in 1922 through Lee Higginson and Company, its fiscal agents, was for about \$6,700,000.

Now, in Uncle Sam's opinion, the Dominicans have cleaned house to a point where autonomy may safely be handed back to them. He is, therefore, withdrawing the American military government which has ruled the country for some years; a high commissioner, Sumner Wells, named by Mr. Hughes, is there now transferring authority to the Dominican civil government.

Our citizens have hundreds of millions invested in Cuban railways, sugar mills, and sugar and tobacco plantations. Not long ago Cuba wanted to borrow \$50,000,000; but under the Platt Amendment, dating from the close of the Spanish-American War, Cuba may increase its foreign debt only with our consent. So the President sent Gen. Enoch Crowder to Havana as unofficial observer on both financial and political questions. He found Cuba in serious financial trouble because of the cataclysm in sugar. Many banks had closed; others suspended payment. Both sugar producers and government were in acute distress.

General Crowder, since named Ambassador to Cuba, recommended various budgetary reforms. When these were effected, Uncle Sam approved Cuba's application for the \$50,000,000 loan to fund its floating debt and provide for current expenses till its financial equilibrium could be reestablished. This loan was brought out by one of the strongest syndicates ever organized in the States and headed by J. P. Morgan and Company. While some of Cuba's internal loans are not yet being cared for, she is meeting service promptly on the \$50,000,000 of bonds sold here. Again, by the export of brains, Uncle Sam helps protect the foreign investments of his citizens.

promptly paid. Even though their services were first requested in some lands, these Yankee advisers and the stringent control imposed by them on public funds have not always enjoyed universal popularity. Since 1911, for example, Nicaragua's finances have been supervised by Americans. The whole story is far too long and complicated to permit narration here. It involves revolutions, our Senate's failure to ratify the treaty of 1911, diplomatic pressure put on Washington by Europeans whose claims were unpaid, a serious strain on the Monroe Doctrine, and other phenomena of Central Amer-



COURTESY OF UNITED ARTISTS

In some Latin American countries, the people are surfeited with the system and thrift effected by Yankee brains and openly long for the more dramatic but less secure days of colorful revolutions and shifting governments

Haiti, marines, and outlaw activities in this negro republic on the west end of Santo Domingo Island have given us front page news for some years. To help Haiti pay an old, increasing debt to Paris and to avoid the risk that the French might otherwise occupy Haiti, Uncle Sam by treaty lent a hand in her affairs. Among other things this treaty calls for an American financial adviser and a collector of customs, an office first held by John A. McIlhenny, of tobasco sauce and civil service fame.

Haiti Benefits by Franc Drop

NOW most of Haiti's big foreign debt was owed in francs, and when francs slumped, it was plain Haiti could make a profit by paying off this debt in francs and refunding it. Urged by the American adviser, a loan of \$40,000,000 was authorized in 1922, \$16,000,000 of which was issued through an American syndicate headed by the National City Bank. At the same time our State Department announced that American advisers and collectors would be retained in Haiti as long as any of these bonds remained outstanding. On the nomination of Secretary Hughes, Dr. W. W. Cumberland, having terminated his task of reorganizing the finances of Peru, went to Haiti in February, 1924, and became her financial adviser. In the face of adverse local conditions the American advisers, by tact, patience and energy, have been able so to aid Haiti that coupons on the \$16,000,000 worth of bonds held by American investors are

ican politics, from time to time so melodramatic.

In short, however, the American banking firms of Brown Brothers & Company and J. and W. Seligman & Company made a refunding loan to Nicaragua on condition that an American-controlled high commission and an American customs collector be named to supervise Nicaraguan finances. Since then Nicaragua has been held to a sound financial basis, but its economic condition has not been happy. Its currency remained at gold parity when most other currencies of the world went to a discount.

This very fact, the high exchange value of the *cordova*, has made it difficult for Nicaragua to sell its products in competition with similar products exported from countries with depreciated currencies. The gold parity of its money also encouraged over-importation at a time when restriction of imports was urgently required because of declining exports; a depreciated currency, on the other hand, would have been an automatic check on excessive imports.

So, of course, the Nicaraguans feel no deep affection for the American financial commission. They admit the good it has done their treasury; they can plainly see that their public debt is decreasing. Yet, naturally, they blame high prices and dull trade on foreign control.

The resident American member of the high commission is Roscoe W. Hill, once a college professor and later an official in our State Department. Clifford D. Ham, a veteran of

the Philippine Customs Service, has acted as Collector of Nicaragua for the past ten years, with singular success. The American Arbitrator on the high commission is Prof. Jeremiah Jenks, a distinguished economist, who often has been called in by other foreign governments for aid and service.

Among creditors Honduras is famous as a nation now able—as a late report of the British Corporation of Foreign Bondholders sorrowfully says—to celebrate the fiftieth anniversary of default on its national debt! Consequently, its wish to borrow more money abroad is futile. After the war, meeting more and more currency, debt and budget troubles, it asked Washington to recommend an adviser. Dr. Arthur N. Young, recently with the Dawes debt commission to France and Germany and formerly financial consultant to the Mexican government, was named. In one year Young turned a large deficit into an actual operating surplus, although this took no account of the 50-year-old debt to the English.

Where Reforms Became Irsome

YET while the Hondurans had asked for an expert to put their treasury in order, many of them felt, it is said, that too much order took all the joy out of life. They admitted that Young was doing a thorough job; but still they pined a bit for old privileges, perquisites and easy pickings for the favored few. As gladly then as they had first greeted Young, they now told him *adios* and drifted gaily back into their accustomed deficits!

Of the money we paid Panama for the Zone, \$6,000,000 is still on deposit. Income from this fund alone gives a neat pile of pin money to this tiny republic of some 400,000 souls. But this and other income has not always been wisely spent. Some time back, finding its revenues down, expenses up and credit shaken, Panama hired Addison R. Ruan, of Washington, as financial adviser. But here, as in Honduras, reforms were more pleasant to contemplate than to endure.

Ruan wiped out graft and piled up a surplus; also, he piled up a lot of trouble for himself. Retiring from the job he did too well—to suit his employers—he has gone now to

Bolivia for the American railway builders there. Judge W. W. Warwick, formerly comptroller of the U. S. Treasury, and a decade back in charge of auditing government accounts on the Panama Canal construction work, succeeds him as financial adviser to Panama.

A year ago Ecuador, now hoping for an American loan, employed John S. Hord—once in the Philippine revenue service and later adviser to Haiti—as fiscal expert. He has set up a sales tax and is urging other financial reforms; and though too soon to estimate the result of his work, it is said that, lacking the executive authority vested in our advisers to Haiti, Persia, Peru, etc., he plays a lone and difficult hand.

"Ecuador, like most other small countries down that way, has resources and ample ability to meet interest and amortization on any reasonable loan made to her," said one American government official, "but her error now is that she hasn't given Mr. Hord power to enforce his recommendations. One native critic even complained that 'The American adviser is obsessed with an insane desire to fill the treasury.'"

A similar situation, as regards advice given by American experts hired to give that very thing, arose in Poland. She asked Uncle Sam for expert aid. He recommended Dr. E. Dana Durand, a well-known economist, once director of our census, and now in the Department of Commerce. Dr. Durand worked in Warsaw till 1921. Although clothed with a high measure of executive responsibility, his sound advice was not heeded by the very people who had hired him to give it. Had it been, perhaps Poland might not now be in a financial condition comparable to that of Germany and Russia.

These, however, are exceptional cases. As a rule, the nations hiring American experts have gotten value received by taking the expert advice for which high salaries were paid. More often than not, also, international goodwill has been awakened by the loan of these experts, whether engaged only on financial work, or in battling pests, disease, famines and floods, or on agricultural or engineering work. On our side, their dispatch not only often affords our investors added protection to foreign investments, but their service overseas increases the fund of knowledge of business conditions abroad our bank-

ers and economists obviously should have.

The very latest case is that of the \$6,000,000 loan made to Salvador by the Metropolitan Trust Company, and marketed here by F. J. Lismann and Company, of New York. This even provides that Salvador's customs revenues shall be paid in U. S. Gold. Seventy per cent of all these revenues, or in case of need 100 per cent, is actually collected by the Metropolitan Trust Company of New York, the fiscal agent and trustee for the bondholders, through an American representative, W. W. Renwick, who is to reside in Salvador for that purpose. By the terms of the loan agreement—reached after an exchange of notes between the American and the Salvadorean governments—it is further provided that in case of disputes our Secretary of State shall take cognizance thereof, and go to our Supreme Court for decision.

Colombia Revising Currency

OFTEH the help of our financial experts is asked when no immediate loan is involved. Lately Colombia wished to revise her currency and banking system, as Peru had done. So an American Commission, headed by Prof. E. W. Kemmerer, of Princeton, was asked to make a study and recommendations. Kemmerer has been known through many years for previous currency studies and financial advisory work in the Far East, Mexico and Guatemala.

Thus, every year, this practice grows. Gradually a considerable group of American experts, trained as advisers to foreign governments, is being developed. Some few are already veterans in this work. The present director of taxation in Persia, for example, is an American who saw service there with Shuster a dozen years ago, and has since held fiscal jobs in various Latin-American lands.

When you stop to think of the tens of thousands of Americans who share in our \$8,000,000,000 invested abroad, you can see how important a role these exiled experts play in the safeguarding of our interests. Here and there in doing their duty some must make enemies. Graft always dies fighting. But in the long run, if these experts we export are men of tact, integrity and ability, their cumulative efforts—whether strictly financial or along sanitary, engineering and agricultural lines—can only result in closer cultural and political ties, and in a growing trade between us and those nations that borrow our brains and find they function well.



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Agriculture was only one phase of the big problem that the American fiscal commission tackled in Poland where the women toil with the men in the fields

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Here you are, Mr. Employer, interviewing an applicant for a position on your sales' force. He has presented, no doubt, the stereotyped letters of recommendation, and you are now taking stock of him, asking him stereotyped questions, receiving stereotyped replies, and sizing him up generally. The best you can do, under the circumstances, is to pass hasty judgment upon him. Quite superficial, isn't it, and anything but satisfying? Isn't there a better way, fairer to you and to him?



How One Firm Picks Its Go-Getters

By WINSLOW RUSSELL

Vice-President and Agency Manager, Phoenix Mutual Life Insurance Company

SOME day—not so far away, either—I'm going to be able to reach into my desk drawer, when a salesman applies for a job selling insurance, and get out a black, leather-covered book of many pages of fine print and tables of figures. It will tell me almost to a dollar how much business that particular salesman will be able to write in the next twelve months or the next five years.

This book will be precisely the kind of book which my colleagues, over in the other wing of our building, take out of their desk when you apply for an insurance policy. Their black book, which we in the insurance business know as "The M A M I Tables" (Medico-Actuarial Mortality Investigations) is their law and their slide rule, their Bible and their master. These actuarial figures enable my colleagues to tell, almost exactly, how many people in Chicago are going to carry out their impulse to commit suicide this year, how many mothers are going to die at childbirth in San Francisco, how many painters are going to fall off their scaffoldings and be killed, how many cancers are going to prove fatal among the people of Kansas or Vermont.

Years ago I asked myself—after wrestling with the problem of unstable, haphazard insurance agents—why is not the same actuarial principle as reliable in one department of business as in another? Why this tradition that salesmanship is art, poetry, hypnotism or what not? Why this refusal to believe that

if human beings can be judged accurately for one thing, they can't be judged accurately for another?

So we began the great task. We labored and experimented, discarded, started all over again, and watched patiently. Now after a period of years we are able to say that we have gotten somewhere. Although we have not yet the black leather book, we do have a system of analyzing and scoring applicants which does not lead us very far wrong.

More Sales with Less Men

TEST it by what it has done. In 1913 we had 1,700 salesmen chosen on the old commonplace basis of insurance selling, and these men produced \$20,000,000 worth of insurance. In 1923 we had only 375 salesmen, little more than one-fifth; but these 375 produced \$52,000,000 worth of insurance. The difference is that this latter group is composed either of long established, successful salesmen or new men who have been chosen by our new methods.

Our "laboratory work" to establish our new findings is based on experience with more than 500 men. When our experience is based on ten times that number of men, our actuarial data will operate with even more

exactness. Even during our laboratory work of years past, we came closer and closer to accuracy as we went along. In 1919, fifty-six out of every hundred men we hired left us at the end of twelve months; in 1922, only thirty out of every hundred men.

To give you a picture of how this new knowledge works, suppose you sit by while an imaginary applicant comes along. His name is John M. Phoenix. He is 39 years of age, married, has five dependents, is six feet in height, weighs 175 pounds, is twenty-one years out of school, has had twelve years selling experience, and is a member of seven organizations, holding office in three.

There is used in our study of this or any other applicant:

- A personal history blank.
- A psychological test.
- Letters from previous employers.
- An outside investigative report about the man.
- A photograph.
- A rating by the local manager and his associates.

The "personal history score" may be the most interesting to you, as it is to us, because each item on it is a vital factor which we know counts in success, and we have a definite method of "weighting" each variation.

Because he is 39 years of age, John M. Phoenix is given a score of 53 (it would have been higher had he been younger). For each of the other selected facts about Mr. Phoenix there is also a specific method of

scoring, and after the facts about the applicant have been entered, the result is a figure—712, in John M. Phoenix's case. This puts him, with something to spare, in the "high" class (671 to 732). He is coming along very nicely as a prospective salesman. If he had fallen into the figures between 641-670 he would have been a "borderline" case, and other facts about him would largely have controlled his chances. If he had fallen below 640 his case would be very doubtful or impossible.

But there are other methods of boring into the heart of the secret as to whether John M. Phoenix is going to be a success, and how much of a success. We had the entire agency staff, not just one man, study John. We don't want John to be hastily judged by some one person—we pin our faith to the law of averages. Among other things we find out if his wife wants him to sell insurance, his reason for making a change, and study his changes of jobs. We make him write fifty words to see if he can express himself well. We find out what his financial condition is. We put him through a psychological test, in which also there is a high, a borderline and a low range of average. John's score in this test was 123, which is borderline. Evidently John's mind is not the kind that is particularly keen on knowledge.

Success Score Never Below 655

LET US see how our staff views John as he comes under our minute observation, how they find that his composite average is 712, which puts him at once in the class of sure successes. Why so certain about it? Well, the critical point, our staff has learned, is 655. Long experience with many men under this microscope has shown that if they fall below a composite average of 655 they cannot be rated as successes; that they do not, on the average, produce.

Take some illustrations. There was Howard Hartford, who had a composite score of 627; and there was Copeland Winslow, with a composite average of 703. Both had been in the company's employ about one and one-half years; but Howard Hartford showed only \$87 in monthly paid premiums, while Copeland Winslow showed \$1,160.

In our laboratory we discovered that it was a clear fact that 70 per cent of the known successes among salesmen had scores above the critical point of 655, and only 30 per cent of the successful ones had scores below 655. Conversely, 63 per cent of the failures were men whose composite average was below the critical 655 and only 37 per cent above.

In other words, we have proved to our satisfaction that the chances of picking a winner among those with scores over 655 are 65 per 100, and that the chances of picking a failure on composite averages below 655 are 68 per 100.

You will see, now, the use of a "borderline" area. The successes and failures do run above and below the critical point, so 640 to 655 is known to us as a zone about which we must not be too dogmatic.

Take John's age. Our staff knows that if John is between 33 and 38 he will have the highest chances of success. He is 39, actually, therefore a little is counted off his score. Of those 23 years and under, 51 per cent are failures; 42 per cent of those between 24 and 32 are failures; but only 36 per cent of those between 33 and 38. After 38 there is again an increase in failure; 47 per cent of those between 39 and 44 are failures; 50 per cent of those who are 45 and over.

But how does our staff explain the greater efficiency of the middle-aged man? People

constantly talk about young blood in selling—why are the years of 24 to 32 less successful than the years of 33 to 38? Our staff has its answer: the younger man has fewer dependents and usually works less aggressively and less steadily. Also he is too callow, as a rule; he can't convince people that he knows what he's talking about as well as can the older man.

Very well, you ask, how is it that he starts

A New Use for the Old Law of Averages

WHEN you hire a salesman, are you sure he'll be a producer or must you wait for time and his sales to justify your judgment?

Here's one company, at least, that has taken the guess out of such an important matter, which is mathematically certain that the men it engages will make good.

It applies the law of averages to every applicant and finds out, among other things, the following:

What is the age of the man seeking employment? If he is between 33 and 38, his chances for success are best.

Is he married? If, so, he gets the call over the bachelor.

How many children has he? As many as five are regarded as an incentive; any more are rated a handicap.

How many years of selling experience has he had? The man with six is preferable to one with three or twelve.

Is he a "joiner"? Membership in organizations is a point in his favor and to hold office, in addition, raises his score.

Is he a home owner? If he is, he has the advantage over the renter applying for the same position.

Has he investments in stocks and bonds? The man who saves, no matter how little, is regarded as a far more desirable prospect than he who spends all he earns.

From this and other information, this employer knows exactly what are the applicant's chances for success, how much business he will bring in, what he is worth to the concern and to himself.—THE EDITOR.

to decline so soon—at 38 years? If his maturity is a good thing, why doesn't it show? Our staff will reply by asking you to bear in mind that this mark of 38 years as the start of the decline, applies only to those starting in to sell insurance. We have men as old as 65 selling successfully, but they are selling successfully because they learned how before 38. The man over 38 who starts in at selling is a poor "sales risk." He can't be made over. Even a man who's been an in-

surance salesman is not likely to succeed with us after 38, because we sell by different methods.

John M. Phoenix is 39—just past the limit of highest capacity. He is in the fourth age class, of those between 39 and 44. Our staff looks at John critically, and knows that, on an age basis, he has 53 chances out of 100 to succeed. But John will pass on the age test.

"But," you say, "doesn't the modern college training make young men able to produce earlier?" There you hit upon a live topic on which there is vigorous controversy and experiment going on today. Frankly, we are just about convinced, now, that we can change the age facts by carefully picking college men who have taken the college business courses. The average college man was no better, in fact, not as good, as the non-college man, because the college man was deficient in observation and capacity to adjust himself in the world. Moreover, the college man who desired to sell insurance was too often a disappointed man who had dreams of "bigger things."

But then we discovered that by selecting college men who had taken the business courses, we were not getting disappointed lawyers, ministers and architects, but were getting young men who deliberately planned to start in business and work up.

Of course, I must not give a wrong impression—our experience with college men is that they succeed 5 per cent more often than the general average. What we mean about the non-college man's superiority is that a man at 26 years of age who is out of school nine years is a better salesman than the college man of 26 who has been out of school only five years. We are going to use more and more college men, but preferably those who have taken the business courses.

You have noticed that Mr. Phoenix has five dependents (we count the wife as a dependent as well as children). If he had only one dependent, a wife only, let us say, his chance of success would only be 49 out of 100, whereas if he had two or over he would have 63 out of 100 chances.

There is a limit to this. Our staff will inform you that when the fifth dependent arrives, a man's chances of success start the other way. They are no longer an incentive and a spur, and become a drag. He worries about them.

A Wife Boosts the Average

BUT OUR subject, you will perhaps be cheered to know, has aspects in which he is not average—as, fortunately, many of us have. Who knows, John may lift himself into the exceptional class. He has a good start, for he has a high composite average. Let our specialists proceed with their close examination of him, as he lies disclosed so completely before them.

His marital state is very good. His wife approves the idea of his selling insurance. She even came to the home office to talk things over—which we liked, for we know in mathematical terms what a man's wife can contribute to his success or failure. A married man has 59 out of 100 chances for success; a single man only 49 out of 100. John will succeed—we know it already.

We know it even more certainly when we study John's past history in selling. If he had had no selling experience of any kind, we know that his chances of success would be 66 in 100; if he had had less than three years of experience in some other kind of selling, his chances would have been 58 in 100. In entering a new field of selling, a

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change of method is often necessary and some, during this process of change, fall by the wayside. John's particular experience in selling indicates he has 78 chances in 100 of success.

When we look at John's membership in organizations, we get further assurance that he will succeed. He is a member of seven organizations. That gives him 68 chances in 100 for success. If he had been a member of no organization, or only one, he would have had but 43 out of 100 chances. But assurance becomes doubly sure when we note that he has been sufficiently alert and social to get elected to office in three organizations; for our staff knows that this gives him 83 out of 100 chances of success, whereas if he had held no organization office, his chances would have been only 59 in 100.

Again John's chances move forward when we discover that he owns five different investments, making his chances 74 in 100. If he had had no investments, his chances would have been only 46 in 100.

Likewise, his ownership of a home gives him 63 in 100 chances of success, as against only 52 if he were a renter.

Thus does our staff pass on John. He is finally given his composite average of 712, and is hired. We know precisely what the

chances are that he will be a good salesman, from that composite average.

We know that he will produce between \$300 and \$500 a month in personal income; precisely as our actuarial department knows when he will die, if we have examined and insured him.

You will say at once, "Oh, but you really *don't* know how much he will earn, nor does the actuarial department really know when he will die. He may get typhoid fever tomorrow and die! Won't you be proved wrong then?"

No, we will not. John may make only \$200 per month and be a failure and leave us a year from now, but we will still be right about John, for John, you see, is simply a case; an example, plucked from many examples, and drafted to illustrate to you all the Johns, Henrys, Bills and Joes.

You see, it is sheer business with us to *know* about John, instead of guessing. It costs us about \$1,000 to hire and train a new man. We lose that \$1,000 if we make a mistake; while the new man who is a failure loses as well in money, morale and other values no one knows how much. By refusing to hire any Johns, Henrys or Joes who can't make a score of 655, or possibly those that touch the 640 borderline, we save

ourselves \$26,000 on every hundred applicants.

We believe there is not a high enough standard for selection of insurance salesmen. There are about 140,000 insurance agents today, and less than 40,000 of these are making a living. The other 100,000 are unprepared and untrained for the task of selling insurance. The big bulk of insurance is sold by only a fraction of this army. About sixty billion dollars worth of insurance is in force in America today. It seems a great deal; but I am convinced that there is seven hundred and fifty billion dollars worth of coverable human life in America.

Insurance today is a staple article, like bread or shoes. Moreover, it is a science and a public service, and as such is rightfully under public jurisdiction. But we, who are its administrators, must be able to sell it in a less costly, wasteful fashion. Why should it take twenty to twenty-five calls per sale? Why should the average insurance salesman have to make fifty-eight calls to earn \$100 in commission? It is simply poor management and the refusal to apply science. We must lift the salesman out of his rut and study him. We must create conditions around the salesman, picked for success, which will insure that success just as we insure lives.

"Verboten" for American Exports

By ROBERT CROZIER LONG

Correspondent of the London "Economist" at Berlin.

THE GERMAN nation has just got through a general election which will probably decide the fate of the Dawes Reparations Report, and which has already decided another question of first-rate moment—that is, whether Germany, when her hands are freed in January, 1925, will continue to take American exports or gradually, but as quickly as possible, cease to take them.

By the radical changes which the election of May 4 brought in the constitution of the Reichstag, the High-Protectionist parties have been enormously strengthened; and the agitation which has been proceeding since January, 1924, with the catchwords, "Grow Our Own Food; Make Ourselves Independent of Foreign Manufactures!" has been powerfully buttressed.

True, the first Republican Reichstag, like the former Monarchist Reichstags, was in no way inclined for a low tariff.

It was Protectionist. But it had—at least on the food question—a powerful Socialist minority, backed by street agitation, which was free trade in principle, and which was potent enough to check agrarian tendencies towards the pre-war system of heavy food duties.

This party has lost a great part of its votes and all its prestige. It polled a mere six million votes out of thirty millions cast; it has a bare 100 seats in a Reichstag of 472 members; and alone the high-tariff German-Nationals, counting their high-tariff allies of the Agrarian

League, polled more votes and have six more members.

All the rest of the Reichstag, omitting the Communists, who are anything or nothing in tariff questions, is Protectionist; and the most influential of the other parties, the German People's Party, is clamoring for higher import duties.

The present Marx Cabinet has declared for higher duties; a cabinet led by the German-Nationals will follow the same line even more emphatically. Though no German Protectionist, however extreme, can wish to exclude American cotton and copper, the movement is primarily di-

rected against American staple exports. If this situation is taken in connection with the new protectionist policies of other Central and East

European states, America must be prepared for enhanced difficulties in recovering the European markets lost as result of the war.

The critical time will be between the meeting of the new Reichstag at the end of May and the first month of next year. On the 10th of January, 1925, Germany regains her tariff independence. The most-favored-nation-treatment clause exacted by the allies in 1919 and embodied in the Versailles Treaty comes to an end. It comes to an end because the League of Nations did not before January 10, 1924, make use of Article 280, authorizing it to prolong the allies' privilege.

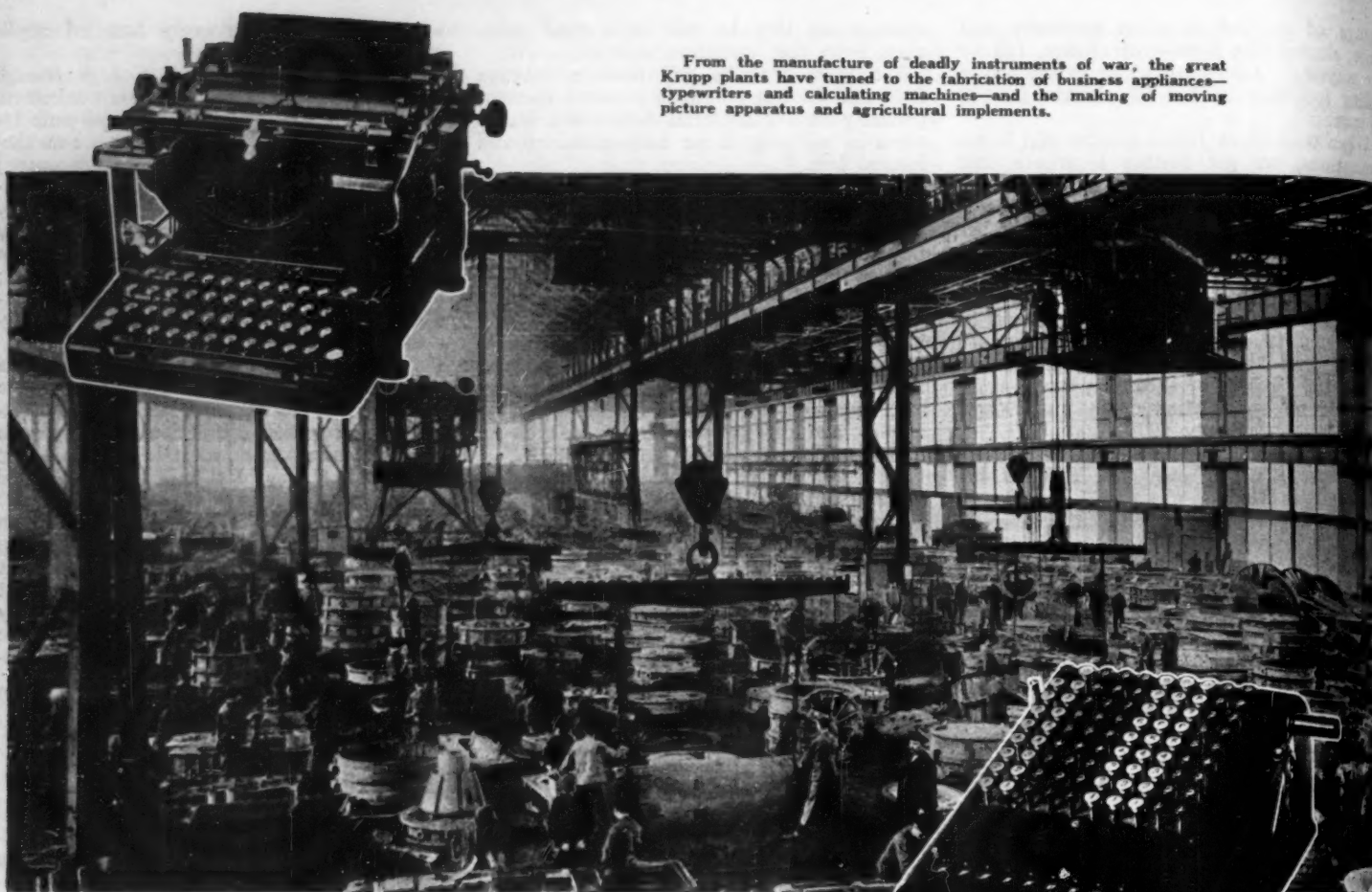
Before the last-mentioned date the issue of high versus low tariffs, which chronically distracted Germany before the war, was almost dead. Since then there has raged a platform and newspaper struggle which recalls in violence the struggle

of rival interests preceding the tariff of 1902. In this struggle the low-tariff, or no-tariff, groups were beaten. The agrarian German-Nationals, with their allies in Bavaria, naturally proclaimed for a restoration of the food import duties, which were suspended, as a war measure, on August 4, 1914. The People's Party, which is the natural successor of the industrial National-Liberal Party, proclaimed for much higher duties on finished goods; the Catholic Centre pro-



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Germany realizes the rich profits to be harvested in the radio field, and several plants are now specializing in the manufacture of complete receiving sets, made with the precision and fine cabinet work for which the Teutonic workman has ever been famous



From the manufacture of deadly instruments of war, the great Krupp plants have turned to the fabrication of business appliances—typewriters and calculating machines—and the making of moving picture apparatus and agricultural implements.

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fessed itself to be still Protectionist; and the German-Democrats, who before the war stood for reduced tariffs but not for free trade, made no protest. In fact, the last-named party has shrunk to almost nothing, having only twenty-eight seats in the new Reichstag.

Immediately after January 10, the Marx Cabinet began to declare itself. The Minister of Industry, Dr. Hamm, though himself a German-Democrat, announced that higher duties were the one means of counteracting the flood of foreign goods which would otherwise come in as soon as the present system of import-licensing was abolished; and the Minister of Food and Agriculture, Count von Kanitz, proclaimed that German food prices are too low for profitable farming, and must be raised to encourage the raising of foodstuffs.

Advocates High Tariff Policy

ALONE the Socialists protested; but the Socialists—as a premonition of the Reichstag election result—were then being soundly beaten in Thuringia, Mecklenburg, Saxony and Lubeck, and their outcry was hardly heard.

Chancellor Marx's predecessor, Dr. Stresemann, laid the foundations of the new high-tariff policy when he started last fall to abolish the war-born system of state tutelage of industry and trade. Minister of Industry Hamm built the foundations higher.

"German business," said Dr. Hamm in February this year, "can no longer be confined by police and political restrictions."

The first measures were the abolition of the compulsory eight hours' day, which resulted in 56 to 60 hours a week being now worked in leading industries, and the withdrawal of restrictions upon import and export. Today only eight out of about forty

foreign trade boards (*Aussenhandelsstellen*), which exercised rigid control over trade, remain. Dr. Hamm declared that the abolition of import licensing involved raising of import duties; otherwise Germany would be inundated with foreign goods. In March Dr. Hamm expressed the coming foreign trade policy as follows:

1. Abolition of import licenses and a return to the pre-war system of influencing imports by customs duties.
2. Adaption of the autonomous tariff to post-war economic conditions.
3. Conclusion of commercial agreements with the aim of securing export markets and a moderate volume of imports.

Comments on this program by Food Minister Count von Kanitz showed that foreign foodstuffs would be taxed not so much with an aim of keeping them out at present—that is impossible because Germany cannot feed herself—as with the aim of raising German food prices, and thereby fostering more extensive and intensive agriculture, so that at some later date Germany would become independent of foreign food, full able to ration the republic.

Imports of other classes of goods would be taxed partly with the aim of keeping them out and so fostering native production, partly in order to obtain a retaliation lever which would force foreign countries to let German goods in. Count Kanitz started with the farming crisis which, as in America and Russia, revolves around too low prices but which, in Germany, also consists in underproduction.

Speaking at Bremen on April 25, Count von Kanitz declared that, "the German agrarian crisis, taken together with the world agrarian crisis, constitutes a factor of peril

for Germany in the near future. Even the bumper German crop of 1923 was 10 per cent below the average of pre-war years."

This provoked a chorus of comments, centering round the points that in peace time Germany, owing to her low food production, will have a heavy passive foreign trade balance, and that in war time she would risk being starved into submission.

Other interests than agriculture took up the food protection cry. Leaders here were the fertilizer syndicates, which have of late suffered from insufficient buying by farmers, who in turn suffer, they declare, from low food prices. The great Wintershall Potash concern, which produces potash cheaply and therefore champions a home policy of selling potash cheap but in great quantities, lately issued a manifesto proving that if farmers only used sufficient fertilizers, Germany could feed herself.

Long Credit Offered Farmers

THE nitrate interests joined in, and they and the potash syndicate agreed to give long credits to farmers. The foundation of this reasoning is true enough. Food in Germany is abnormally cheap. Elsewhere in Europe the gold cost of living, in which food is the chief item, has risen as compared with 1914 by anything from 60 per cent upwards; whereas the German official gold cost-of-living index is only 115, or 15 per cent higher than it was ten years ago.

The most necessary foods are cheaper than before the war. In mid-June native-grown wheat cost 207 gold marks per metric ton; at the beginning of May, 1924, it cost only

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175 marks; the figures for rye were 174 and 135 marks respectively, and for oats 173 and 132 marks. Before the war wheat in Germany cost about 30 per cent more than in New York.

An agrarian tariff was necessary to maintain German production. Today American wheat cannot compete with German. It is imported only because, and in so far as, Germany's native-grown supply falls below the demand.

"Keep out American breadstuffs, or German farming will perish altogether," is the agrarians' cry. They contend that, owing to the low German flour prices, tillage is being abandoned. The area under sugar beet has increased by 30 per cent at the cost of the area under grain crops.

German grain production is enormously less than before the war. On the present area of Germany, in 1913 were produced 4,043,000 metric tons of wheat, in 1923 only 2,897,000 tons; rye in 1913, 10,132,000 tons, 1923, 6,682,000 tons; oats 1913, 8,619,000 tons; 1923, 6,107,000 tons.

Livestock, though now recovering, has also fallen off. Horned cattle in 1913 numbered 16,900,000, in 1923, 15,100,000; hogs in 1913, 22,500,000, in 1923, 14,600,000. The number of sheep has slightly increased. Although Germany's net imports of food and drinks were much less in 1923 than in 1913, this was due to a decline in imports of unnecessary and luxury foods. The net imports of grain and flour in 1923 were about double those of 1913. Similarly, though imports of dairy products have declined, imports of meat and fats have risen 38 per cent.

Farming Is Not Attractive

ALL this, say the high-tariff partisans, is a result of the fact that farming has ceased to pay. While certain staple farm products fetch only 80 to 90 per cent of the pre-war prices, the prices of fertilizers, iron, coal, wood, machinery and other things consumed by the farmer are between 50 and 100 per cent higher than in 1913. On top of this comes a complaint of high taxation; Minister of Finances Luther holds that 27½ per cent of the average German income is taken in taxes, and that the present tax burden on farmers is 125 per cent over the present net income. Naturally the farmers manage to forget that before the war their lands were mortgaged to an average of 60 per cent of the value, and that by Chancellor Marx' Third Taxation Decree of January, 1924, mortgages were reduced to 15 per cent of their pre-war gold value, and even on this reduced capital sum no interest need be paid at first.

But it is a fact that German food prices are too low to make farming attractive. The obvious remedy is, therefore, to reimpose the pre-war food duties; and if this keeps out overseas food, runs the argument, so much the better; thereby the Republic will be made self-sufficing in time of peace and capable of prolonged resistance in time of war.

The campaign for higher duties on manufactured goods is not so plausible, but it is not less clamant, and it is even better organized. If the farmers ultimately succeed in keeping out American food—naturally only after a term of years—manufacturers will almost certainly manage to get higher duties imposed on such classes of finished articles as Germany produces, or can produce, herself.

Germany is at present skillfully copying certain American specialties. Except Germany, no European country produces, in volumes worth mentioning, typewriters, calculating machines, or talking machines, whether for amusement or for work. The

first step of German armaments producers in 1919, after the Versailles Treaty cut short their normal activities, was to embark on, or to expand in, these American domains.

Already in mid-1919, Krupps announced that they would make typewriters and calculating machines; and they have since, in alliance with the firm of Ernemann, of Dresden, gone into the moving-picture apparatus business. Beating swords almost literally into ploughshares, Krupps, again in alliance with an outside corporation, took up the production of agricultural machinery on a great scale.

The German Government even then understood German interests well. Already in 1920, when it was raising duties on a whole class of luxury or semi-necessary goods, it doubled the duties on typewriters, calculating machines, and other like apparatus. While the

Net Incomes Show Gain of Two Billions in Year

TWO BILLION dollars is a respectable sum. Now that all the figures have been compiled, it comes pretty near to being the amount by which the net income of individuals in 1922 exceeded their net income in 1921. The increase was actually \$1,759,000,000. This made the figure \$21,400,000,000 for 1922, the highest point it has reached except for 1920, when it stood at \$23,700,000,000. The following year the totals recorded the largest change they have ever shown, dropping by more than four billion dollars.

The figures do not include the income of everybody, but for 1922 they do contain the income of the 6,787,000 persons who received a thousand dollars or more in 1922 and filed returns for the federal income tax. For 1918 there were only 4,425,000 such persons. In five years their number increased by 53 per cent.

Millionaires did not follow the general trend. In fact, they decreased, on the face of the income-tax figures. To be sure, in talking in statistics about millionaires one has his difficulties, because there seems to be no standard definition for a millionaire. Everybody seems agreed, however, that a man with an income of \$1,000,000 a year fulfills the definition. There were 67 such individuals in 1918 and precisely the same number in 1922, but of persons who had taxable income of \$100,000 and more there were 4,499 in 1918 and 4,031 in 1922.

Even so, there was a pronounced increase in large individual taxpayers for 1922. The number of persons with taxable incomes of \$100,000 and over had steadily declined under heavy surtaxes. In 1921 they reached the low point of 2,352, and but 21 reported taxable income of \$1,000,000 or better. The striking increase of 70 per cent in these taxpayers between 1921 and 1922 illustrates the potency of tax reduction for increase in tax receipts. For 1921 the average rate of tax for the 21 persons reporting \$1,000,000 or over of taxable income was 63.59 per cent. In 1922 the average for the 67 who reported such incomes was 35.02 per cent. For 1921 the federal income tax yielded \$201,000,000 from the incomes of persons with \$100,000 or more a year; for 1922 it yielded from the taxable income of such persons \$301,000,000.

A survey of the national results in 1922 by industries can be made only when the figures of net income have been taken from the tax returns of corporations. As yet, the Treasury has published only data taken from individual returns.

German foreign trade statistics for 1923 show smaller export of all sorts of machines than in 1913; the one exception is fine mechanical machines. The export of these was more than double that of before the war.

Of late the agitation for higher duties on manufactured goods has been led by the automobile interests. Again a branch in which the United States leads is in question. In April this year the leading Benz and Daimler companies fused, thereby creating the nucleus of a much larger fusion, the aim of which is to standardize and distribute the production of parts.

The prohibition against import of automobiles will soon be removed. This has been officially announced. The automobile manufacturers issued a protest, predicting an invasion of American cars. The import prohibition, they admitted, could not be maintained forever, because before the war 45 per cent of German-made cars went abroad; and if Germany wants to regain that part of her export trade, she cannot claim absolutely to exclude foreign cars. But the prohibition must be removed gradually; and before import is entirely freed, a "normally high," i. e., very high, import duty must be imposed.

It is not fair to say that the coming German tariff policy will be aimed specially against the United States. But owing to the predominance in the question of food and high-class engineering products, the effect will be much the same as if it were so directed.

Others Follow Germany's Lead

THE question is all the more important for American exporters because Austria, Hungary, Poland, Russia and Roumania are all revising their tariffs in the direction of higher duties. Czechoslovakia has in some matters moved in the opposite direction; compelled herself to export, she has of late mitigated the severity of her licensing system and has freed a great many products. Roumanian manufacturers are at present clamoring for the five-folding of duties on finished goods.

The Soviet-Russian tariff, as drafted early this year, is in some respects more liberal than the tariff of February 14, 1922; but in principle it aims at excluding goods of kinds which Russia either produces or could produce. Here—history repeats itself—is the late Count Witte's "educational protection," which was borrowed originally from the German Protectionist, Friedrich List. The Polish commission of tariff experts, whose work is nearly finished, have recommended increases of duties averaging 40 per cent.

The draft of the new Austrian tariff bill takes its source in the heavy passive trade balance of 1923. It provides for much heavier tariffs on manufactured goods, and it realizes the German plan to restore the food duties. Whether the draft will be adopted is not yet clear; the Vienna Index Commission has reported unfavorably on the scheme on the ground that it would increase the cost of living from 10 to 15 per cent. But higher duties in Austria, as in her neighbor countries, are inevitable.

All these plans indicate that European high-tariff tendencies are homogeneous. Germany will be no exception. Luckily Germany cannot do without American raw materials, and luckily her credit exigencies will compel her to bargain, rather than to dictate, in other matters. But with both the two great German producing classes interested in higher duties, and even in prohibitive duties, foreign bargainers will probably have their work cut out for them.

The Fun I've Had in Business

No. 6—Pan-American Diplomacy

By CHARLES R. FLINT

Author of "Memories of an Active Life," "Shoes and Ships and Sealing Wax"



Trescot is found closeted with one of the South American delegates

IN 1889 the Harrison Administration invited the independent nations of the Western Hemisphere to send delegates to an International American Conference to be held in Washington for the purpose of cementing diplomatic and political relations and extending commercial and financial relations among the conferring nations.

The United States delegates to the conference were U. S. Senators Davis and Henderson, William Henry Trescot, T. Jefferson Coolidge, Cornelius N. Bliss, Andrew Carnegie, Clem Studebaker, George H. Hanson, Morris M. Estee and myself. I was the youngest delegate to the conference, having been appointed on account of my seventeen years' active experience in international trade. The official name of the conference was the International American, but it became popularly known as the Pan-American Conference. Congress appropriated \$100,000 to cover expenses, and the Wallack Mansion was rented for our use.

The first important matter requiring official action was the election of a president. A few days before the date of the official opening all of the delegates assembled at the Wallack Mansion. While we were talking informally in groups, Mr. Trescot came to me and suggested that the United States delegates should retire, in order that the Latin-Americans might meet by themselves.

I replied: "As we are meeting on the basis of equality and fraternity, I see no reason for separate meetings."

Mr. Trescot then told the other United States delegates and me that the Latin-Americans had requested this privilege.

An intimate friend, a Latin-American delegate, warned me that the idea of electing Trescot president of the conference was taking shape. It seemed that something was up!

On the following day the Latin-American delegates met in the large room, and the United States delegates in an adjoining room where all were present except Mr. Trescot. A

letter from him was read, stating that he would be unable to attend the meeting because of illness in his family. I immediately moved that a committee be appointed to go to Mr. Trescot's residence in order to impress upon him the importance of attending this first meeting of the United States delegation.

I was appointed chairman of the committee with Mr. Hanson, a Democrat, of Georgia.

Mr. Trescot was not at home, so we proceeded to the State Department and there found him closeted with one of the Latin-American delegates.

At this discovery I said to Mr. Trescot: "It is important for you to come with us at once to meet your colleagues of the United States delegation. And, by the way, there is a rumor that you are a candidate for the presidency of the conference."

A Seasoned Diplomat Asks for Advice

THIS speech seemed to embarrass him a little, and he replied with the question: "Well, what had I better do?"

"I have been in diplomacy one day," I answered, "and you have been in it thirty years; I would not presume to give you any advice except to say that it is very important for you to come with us at once to the meeting of the United States delegation."

As soon as we arrived at the meeting in the Wallack Mansion, I moved that we proceed in a body to the State Department and ask Secretary Blaine to act as president of the conference, which motion, of course, was unanimously carried. Secretary Blaine accepted the nomination.

Returning to the seat of our deliberations, our chairman, Senator Henderson, went into the room where the Latin-Americans were assembled and announced that Secretary Blaine had accepted the nomination for the presidency of the conference.

The men in Trescot's confidence, some of whom were his clients, who were endeavoring to bring about his election as president,

had advanced the idea that Secretary Blaine, not having been appointed a delegate to the conference, was not eligible for the office.

This move on the part of Trescot's friends would not have assumed importance had not the renowned orator of South America, Manuel Quintana, who later became president of the Argentine Republic, upheld this point of order. But that wise old diplomat, Consellero Lafayette, the senior representative of Brazil, spurred by the rivalry between his country and Argentina, saw his opportunity to score a point against the senior delegate of the Argentine and immediately arose to combat Quintana, stating that it is an invariable custom that the Secretary of State of the nation where an international conference meets shall be elected president of the conference.

A heated discussion ensued. Quintana was the better speaker, but Lafayette was right. Senator Henderson retired while the dispute was still unsettled.

When the Senator reported the situation to his colleagues, Carnegie said that evidently the matter was not understood by our friends from the south, and that he would go and arrange it. He came back without success. Then the genial Mr. Bliss went to talk to the Latin-Americans, and returning, announced: "I don't understand those people."

He then turned to me.

"Flint," he said, "you are the only one here who has had extensive and intimate relations with the Latin-Americans. We don't understand them. We have met to celebrate the good will existing between the eighteen independent nations of the Western Hemisphere. If we start in with a row over the presidency, it would add to the gaiety of Europe, but in the interest of the Americas this matter must be immediately and unanimously settled. We appoint you a committee of one with full power to settle it."

At my request Minister Romero, of Mexico, arranged for me to meet the delegates of Argentina under his auspices. Realizing that the repetition necessitated by translation would be most impressive, I asked Romero to act as chairman and interpreter. I then addressed the Argentine delegates.

"Excellencies," I asked, "am I correct in understanding that you regard Secretary Blaine as qualified to fill the position of president of the conference?"

"Undoubtedly," they replied, "there is no man in the Americas who is so well fitted to head the conference as Secretary Blaine."

"I understand," I continued, "that you have only one objection to his election, which is that he has not been appointed a delegate to the conference."

"Yes," they replied, "that is our only objection."

"I will settle this difference," I quickly said. "I am the youngest member of the United States delegation; I will resign tonight; and Secretary Blaine will be appointed a delegate, so that he can be unanimously

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elected president of the conference at the meeting tomorrow."

I had worked hard and against many aspirants for the honor of being a delegate of the United States to this conference; and when I made that proposition, I felt I was making a great personal sacrifice. But I had in mind that Dr. Quintana had admired a black pearl I had worn. As is the custom between Spanish gentlemen, I had said, "It is yours." And, like a true hidalgo, he had returned it to me. When I offered to resign, Dr. Quintana, high spirited Spanish gentleman that he was, handed me back my "verbal pearl."

"We have come eight thousand miles," he said, "to attend the first meeting of this conference; and we know that another meeting is not to be held for two months, but rather than have you, a friend of Latin-America, resign, we will be too ill tomorrow to attend the conference. Then Secretary Blaine can be elected president, unanimously, and you can remain as United States delegate."

Blaine Early Advocate of Peace

BEFORE this I had had only one interview with Secretary Blaine; but when the other United States delegates told him of this incident, it naturally brought about an *entente cordiale* between Secretary Blaine and myself; and from that time on, although I had been appointed as a Tilden Democrat, I enjoyed his entire confidence.

The day after Blaine's election he asked me to call at what was known as the Red House, in contradistinction to the White House.

"The most serious purpose of my life," he told me, "has been the creation of means to prevent war, and now the height of my ambition is to bring about the celebration of a treaty by which all Inter-American disputes will be settled by arbitration."

He added that within a few days he would formulate such a treaty, which he had every reason to expect would be adopted by the conference.

In reviewing the history of the efforts which had been made to bring about international arbitration, I found that in 1881—eighteen years before the establishment of the Hague Tribunal—Blaine, then Secretary

of State, foreseeing the dangers of industrial greed, initiated a movement to bring about precisely such a world court.

Realizing that America should take the lead in this, as she had in the development of representative government, Blaine had sent invitations to the American nations to participate in a general peace conference. He seemed to have a vision of the frightfulness of a world war and its calamitous consequences, which he expressed in his invitation, written thirty-three years before the World War, defining the purposes of the conference:

Its sole aim shall be to seek a way of permanently averting the horrors of cruel and bloody combat between countries, or the even worse calamity of internal commotion and civil strife; that it shall regard the burdensome and far-reaching consequences of such struggles, exhausted finances, oppressive debt, onerous taxation, ruined cities, paralyzed industries, devastated fields, ruthless conscription, the slaughter of men, the grief of the widow and orphan, with a legacy of embittered resentments that long survive those who provoked them and heavily afflict the innocent generations that come after.

Unfortunately Blaine was succeeded by a Secretary of State who withdrew this invitation, so the International American Conference of 1889-90 came to Blaine as a long-awaited opportunity, and he felt that the practical operation of an Inter-American Arbitration Treaty would prove an object lesson to the Old World.

Realizing the dangers of competitive armaments, Blaine was never deceived by the propagandist argument of the European munitions profiteers that increasing military power is a guarantee against war.

After a few days I again called on Secretary Blaine, and he handed me his proposed

Inter-American Arbitration Treaty to read.

The treaty suffered the usual fate of being translated literally into Spanish for the benefit of the Latin-American delegates, which eliminated all of the genius of expression which Blaine had put into it. Very naturally the eloquent rhetoricians among the Latin-Americans, having only the Spanish translation, felt that Blaine had not done the subject full justice, and they drew up a treaty in Spanish, of course a very creditable document, but which, on being turned over to the official translators, met the same fate as the Blaine draft, being robbed of its eloquence when reduced from Spanish to English.

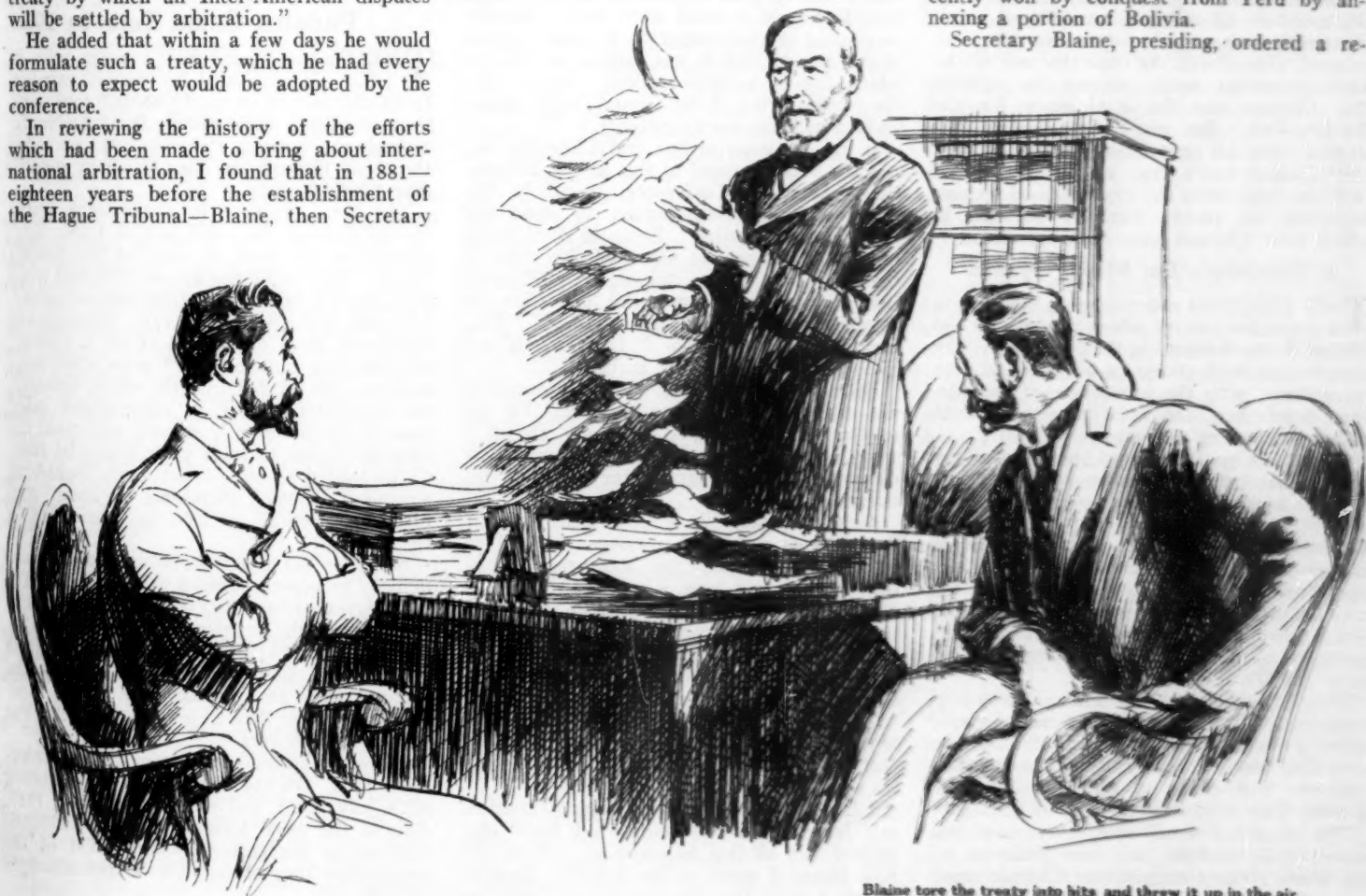
Dr. Mendonca, the Brazilian Minister, and I, took this English translation to Secretary Blaine at the Red House. Dr. Mendonca was a loyal friend of the United States and was treated by Secretary Blaine with great frankness. Blaine did not hesitate to show before us his disgust at this translated copy. He tore it into bits and threw it up in the air. But that was only an incident.

Chile Gets Writer's Cramp

MOST of the countries represented in the conference, appreciating the generosity of the United States in subordinating its superior power to arbitration, and foreseeing the great benefits to be gained, expressed their desire to enter into the treaty; but the signature of Chile was necessary for its execution.

Now the Chilean delegates had in general favored arbitration, but unexpectedly the junior member of the delegation announced in a long speech that Chile would not sign the treaty at this time. The Chileans realized that such an agreement would fix territorial boundaries in the Americas, and might interfere with plans to unite Chile with land recently won by conquest from Peru by annexing a portion of Bolivia.

Secretary Blaine, presiding, ordered a re-



Blaine tore the treaty into bits and threw it up in the air

cess. I went to him to ascertain his views regarding the unfortunate refusal of Chile to sign the arbitration treaty at this time. Blaine had a keen sense of humor to which, like Lincoln, he often had recourse in illustrating the true inwardness of political situations.

"Flint," he said, "I am reminded of the position finally taken by Isaiah Smith, of Augusta, at a revival meeting. Isaiah listened to the fervent revivalist night after night until he took a seat under the pulpit, and at last declared to a friend: 'I've made up my mind to jine the church; but as I have a woman scrape on my hand, I don't want to jine just yet!'"

That evening the Chilean delegates invited me to dinner, and were anxious to obtain from me the views of my Government as to the refusal of Chile to sign. I said I would state its views provided they would agree to cable them to their Minister of Foreign Affairs in the exact words of our Secretary of State. This they promised to do, so that Blaine's illustration may now be solemnly reposing in the archives of the Chilean Government.

The itinerary of the 5,200-mile trip made by the delegates included three days in Chicago. On our arrival at the railway station guns boomed and a regiment of soldiers escorted us to the Grand Pacific Hotel, where the mayor delivered an address of welcome. After that we were taken in charge by a reception committee, composed of prominent citizens, and it was manifest to me that, while Chicago in any event would have entertained the representatives of the nations of the Americas most generously, our hosts were not neglecting the occasion to further their claims that Chicago was the best place in which to hold the World's Fair in 1893.

The delegates were entertained privately by the members of different committees, much champagne was opened, and late suppers were enjoyed, always with the hope that one of the Latin-Americans would express his opinion that Chicago was the ideal place for the World's Fair. But my Latin-American colleagues were all experienced diplomats, and they dodged every trap that was designed to evoke from them any expression of opinion regarding the purely domestic question in which their Chicago hosts were interested.

A Unanimous But Biased Opinion

THE CHICAGO entertainment ended with a great banquet at which I spoke as the United States delegate to the conference. My speech dealt with the proposed intercontinental railway, with the unification of the customs regulations, and with the establishment of Inter-American arbitration.

It was not until I neared the close of my speech that I took advantage of the anxiety of the Chicago Committee to get an expression of opinion regarding the World's Fair. Feeling my way, I made the commonplace remark that while we had had an excellent opportunity of forming an opinion as to the manufacturing industries of the United States, the best opportunity of judging the products of our farms and factories would be at the World's Fair in 1893.

This commonplace reference provoked applause. As soon as the diners became quiet, I ventured the statement: "All of the men with whom I have talked seem to think that the best place in which to hold the World's Fair in 1893 is the city of Chicago!"

The audience went wild, they rose and waved their napkins, and the chairman of the World's Fair Committee of Chicago stood up on his chair and proposed three cheers for

the Honorable Charles R. Flint! I then held up my hand and said: "A moment, gentlemen, I desire to explain. I have talked with only three on the subject and they all live in Chicago."

This was followed by much groaning.

I then proposed a toast, having in mind the fact that the Latin-American delegates had accepted the invitation of the United States to meet us at the conference in Washington as a demonstration of good will, that Inter-American peace was to be assured by a treaty of arbitration, that the great constellation in the heavens of South America stood for that sentiment, and remembering that the Latin-American nations had modeled their constitutions and forms of government after their Big Brother of the North, and that the best known constellation of the North was relied on for direction. I proposed a toast in Spanish:

"El Cruz del Sur-emblema de Paz y Concordia; la Estrella del norte—un guia seguro." Following in English: "The Southern Cross—Emblem of peace and good-will: the North Star—a sure guide."

Hell Is Spared Garlic Perfume

JAMES G. BLAINE, while a man of remarkable ability, did not have a commanding presence like Daniel Webster and Grover Cleveland. He was, however, impressive and magnetic. He had a genial nature, was tactful, and had a wonderful memory, which enabled him to recall names of persons and incidents of special interest to his listener. He had a fine sense of humor, and I found it a great pleasure to work with him. And he assumed that you would sometimes read between the lines!

At one time Blaine was being attacked by the *New York Times*. I told Mr. Blaine that I was on good terms with its editor and that I thought I could exert some influence in causing the newspaper to be more careful in the attacks that it was making on him, to which Blaine quickly replied: "Don't take the trouble, Flint, I don't mind being abused so long as I am not forgotten."

It was the irony of fate that Chile, the one country which refused to sign at the International American Conference, should be the first South American nation to need the benefit of arbitration. Early in 1892 some citizens of Valparaiso assaulted the crew of the U. S. Cruiser *Baltimore*. "Fighting Bob" Evans was in command, and when he learned of the outrage he remarked: "This may end in a row; but if they fire on my ship, all hell will smell of garlic."

Shortly after this Mr. Blaine telegraphed me, asking if it would be convenient for me to come to Washington. On my arrival I went to the Red House. To my surprise he did not specifically explain the object of his telegram.

He merely said, "It is unfortunate that the President is writing a message to send to Congress, bulldozing the little republic of Chile, which will have a very bad effect on all the Latin-American states and to a large extent will nullify the work of the International American Conference in furthering friendly relations with the Latin-American countries."

There was no question as to the soundness of Blaine's views. Also there was no question that President Harrison intended to follow his own.

I realized the delicacy of Blaine's situation, and bade him good morning. I knew that he had said all that he could say. From the Red House I went to the Brazilian legation where I told Dr. Mendonca, the Brazilian

Minister, of the proposed message of President Harrison, and suggested to him that it was his duty, with his complete knowledge of Inter-American politics, to send a cable advising his government to offer mediation between Chile and the United States.

Mendonca replied: "It is the invariable rule that before a minister sends a cable of that character he must receive the approval of the government to which he is accredited."

I told him that I was familiar with that fact, but there had been cases where strong, able men had made exceptions to the rule.

"This is your opportunity," I pointed out. "You can render a service not only to Brazil but to all the nations of the Americas."

He finally asked me to write out a message that I would recommend him to send, which I did, as follows:

War possible between Chile and United States unless Brazil offers mediation to both countries in order to settle matters by arbitration in accordance with existing American international law.

The cable went out. And of course Blaine knew about it. He then called President Harrison's attention to his address as Secretary of State to the Latin-American delegates in closing the conference:

If in these closing hours the conference had but one deed to celebrate, we should dare call the world's attention to the deliberate, confident, solemn dedication of two great continents to peace and to the prosperity which has peace for its foundation.

The differences between the United States and Chile, which Blaine called "our younger sister," were finally removed without the employment of menace or force.

Big Tonnage Increase Boosts Panama Canal Tolls in 1923

THE PANAMA Canal had a great year in 1923. It was used by vessels carrying 25,000,000 tons of cargo, 10,000,000 tons more than in 1922. Incidentally, the total traffic through the Panama Canal in 1923 exceeded the traffic through the Suez Canal by slightly over 2,000,000 tons.

The great increase in water-borne traffic carried through the canal was in traffic originating on the western coast of the United States. This traffic was almost four-fold more than in 1922, being 12,058,000 tons as against 3,561,000 in the preceding year. These figures reflect the great production of oil in California, but they include as well some other commodities, like lumber. On the whole, however, the intercoastal trade in commodities other than oil did not greatly expand, and canal authorities appear to think growth may be slow. Cargo loaded at our eastern ports looked up somewhat in 1923, increasing by about one-fifth, with articles of iron and steel leading the way.

Statistics for canal traffic also show more activity in other countries. Cargo from Europe increased by 400,000 tons. The western coast of South America was responsible for an increase of 141,000 tons. Only Australasia and the Far East recorded decreases in the tonnage they sent through the canal, Australasia by less than 2 per cent but the Far East by 37 per cent.

Increased business has meant larger receipts from tolls. In the eleven months beginning with July, 1923, and ended with May, 1924, tolls at the canal yielded about \$25,000,000, whereas in the corresponding period of the year before they produced only approximately \$15,000,000.

A \$6,000 Fire Engine That Cost \$23,300

By JAMES E. BOYLE

Professor of Agricultural Economics, Cornell University

WHY SHOULD a group of intelligent men pay \$23,000 for a \$6,000 fire engine? The answer is, they ought not, but yet, when they are spending the taxpayer's money and not their own, they do this very thing and do it continually. The following true and typical story is a record of what actually happened in one of our little middle-western cities.

The city fathers, the taxpayers, voted to buy a fire engine, price \$6,000. This sum of money is, relatively speaking, a large amount to add all at once to a little city's regular housekeeping budget. So this municipality went in debt for the fire engine—that is, in official language, issued bonds. And here is where the story really begins.

The bonds bore interest at the rate of 7 per cent and ran fifteen years. When the bonds came due, the city had of course paid \$6,300 in interest, but nothing on the principal. The city chest now contained \$1,000 in cash—which was paid on the principal.

The balance, \$5,000, was, in official language, "refunded," that is, bonds were issued for this amount running for twenty years and bearing 6 per cent interest.

Adding to Posterity's Burden

BUT ALAS, after the fashion of some of our cities, the mayor and aldermen refrained from taxing the voters to provide funds for paying these bonds when due. For, in human fashion, they wanted to point with pride to their cheap and efficient administration of the city government. And so the bonds came due. And like Mother Hubbard's cupboard, the city treasury was bare. Borrowing money is all too easy for a city, and the interest rate is low. So again the debt was "refunded," this time the bond issue bearing interest at the rate of 5 per cent, and ran twenty years.

Let me hasten to the end of my history of this fire engine. The last bond issue on the engine is due in 1938. So the record of this financial transaction to date may be briefly stated as follows:

Principal paid on fire engine.....	1,000
Interest paid on fire engine.....	14,050
Total paid to date.....	\$15,050
Engine went to junk heap twenty years ago.	
Still due on engine, interest and principal	\$8,250

In short, if these bonds are paid when due, it means that a \$6,000 engine cost \$23,300; that it took fifty-five years to pay for it; that those who enjoyed its use did not pay for it; that those who finished paying for it, assuming that the present bond issue will be paid at maturity, did so thirty-four years after the engine went to the junk pile.

The moral is a big one. I can best express

THAT WAS TWENTY
YEAR AGO AND SHE
AINT PAID FOR YET!



it in two sentences. City governments, and all the other political

divisions and subdivisions—national, state, local—issue tax-exempt securities and hence can borrow money easily in large amounts, and at low interest rates. Easy money leads to extravagance, loose financial management, and to a rapidly growing burden on the taxpayer.

The increase in our public debts and in our tax burdens is indeed a matter to cause alarm. Notice the recent newspaper discussion of Toledo's quasi-bankruptcy. Also note that our national debt in 1915 was \$10 per capita; now, only nine years later, it is \$300 per capita. In 1913 taxes took 10.16 per cent of the farmer's income; nine years later, 16.6 per cent.

The debts of our cities are increasing at the rate of one billion dollars a year, and this is added to the many billions of tax-exempt securities already outstanding. This tax-exempt security situation is an economic crime and blunder. Now Congress, in a jaunty manner, has voted the bonus bill—some four or five billions more—on the taxpayer.

Farmers are undoubtedly the worst sufferers from the increasing tax burden, although the evil exhibits itself most dramatically in the cities. Notice, for instance, the situation in the agricultural areas which have been fighting for congressional relief:

North Dakota's population increased 12 per cent from 1910 to 1920, but her total state and local taxes increased 200 per cent. The school taxes, voted almost entirely by the farmers themselves, increased 300 per cent.

South Dakota's population in the five-year period, 1915-1920, increased 4 per cent; her taxes increased 170 per cent.

Montana's population in the five-year pe-

riod, 1916-1921, increased 10 per cent; her taxes 115 per cent.

Wisconsin's taxes increased in the years 1913-1922 from \$40,000,000 to \$120,000,000. Michigan's taxes, in the same period, increased from \$11,000,000 to \$50,000,000.

One of the chief sources of expenditure is for improved highways. Now that the automobile is universal, and is sold on credit, and since these highways are also improved on credit, we have developed a terrific example of credit inflation. But what goes up must come down. So the next step in our economic life is a deflation of this credit. Somebody must pay the fiddler.

The first evidence of a crack in this form of inflation came from Arkansas, where farmers in a certain area were taxed so much for highway "improvement" that their farms were taken for taxes. Issuing bonds is magnificently easy; paying the freight is hard on the farmer, or any other taxpayer. That other states will crack sooner or later under the strain of carrying such burdens is self-evident unless some effort is made to lighten the load and the prodigal use of public funds is checked.

Most Politicians Misuse Credit

IT IS a wise man that knows how to use credit. There are few such men. There are still fewer members of our taxspending legislative bodies who have the ability to use credit wisely. There is too much danger of selfish opportunism, in addition to the elements of bad judgment. There are too many errors, or worse, in tax spending.

When the individual uses bad judgment in employing credit, he is simply thrust aside by bankruptcy; when the city is guilty of error (or worse) in using credit, it takes it out of the taxpayer's hide. Hence the city, or the county, the state or the federal government may be a spendthrift or a speculator, and yet never run short of funds—as long as the taxpayer, in his ignorance, inertia, or indifference can and will contribute.

The tax-gathering, tax-spending mechanism is so vast that the individual taxpayer is well nigh voiceless and powerless before it. It is time for the worm to turn. He must rid himself of the twin-evils, tax-exempt securities and high tax rates. He is paying too much for his fire engines.

No National Coal Mines for England

KEEPING lame ducks waddling was the effect of governmental control of coal mines in England during the war, according to statements made in debate while the House of Commons recently had under consideration a bill which would have nationalized British coal mines. The bill was defeated, not by party votes, but upon the merits and demerits as they were developed in debate.

The NATION'S BUSINESS

Published by the Chamber of Commerce of the United States

MERLE THORPE, Editor

Washington

September, 1924



Honoring Long Service

THERE'S a dignity in age that becomes a business house. The Philadelphia Chamber of Commerce has recognized that fact by a dinner to firms which have had a continuous existence of 100 years or more. Now St. Louis is to honor its veteran firms but has set the age limit at 50 years. More than 200 have been listed. Here are a few of the oldest on that roll of honor and the year of their founding:

Breckeler Lumber Company, 1840; Citizens' Insurance Company of Missouri, 1837; Geo. F. Dittman Boot & Shoe Company, 1837; O. J. Lewis & Company, Auctioneers, 1839; Mermod-Jaccard & King Jewelry Company, 1829; Geo. P. Plant Milling Company, 1840; Sickles Saddlery Company, 1835; St. Louis University, 1818.

An interesting idea and one that other chambers might find it worth while to consider.

Nor is the movement for honoring men of long service in industry slacking up. This magazine has told how at Wilkes-Barre and Trenton, the Chambers of Commerce gave dinners to men who had worked continuously with one concern for twenty-five years or more. At the Trenton dinner the John L. Roebling Company turned out more than 500 men with twenty-five years or more service to their credit. And now comes the John L. Whiting-J. J. Adams Company to call our attention to the fact that seventeen men and one woman have worked for them for more than forty years. Here's the way they divide:

Four for 46 years, one for 45 years, four for 44 years, two for 42 years, and two for 41 years.

And in addition there are thirty-five others who have more than twenty-five years of service. There's a record some other company might like to challenge!

Another interesting record is that of the Taylor-Wharton Iron and Steel Co. of High Bridge, N. J., which recently unveiled an honor roll of sixteen men who had been with the company fifty years or more, of whom eleven are still living. One remarkable feature is the fact that the company has no less than five "three-generation" families where father, son, and grandson are all working for the company.

Is Business Really So Bad?

THE VOLUME of business is no easy thing to measure. It is made up, not merely of the occasional large transactions that attract attention, but of all the every-day purchases and sales of each one of us. No statistician is likely to come forward with a plan for directly measuring the volume of business in the United States.

Resort is accordingly had to various ways of discovering whether the volume of business is tending to increase or shows downward inclinations. Too often the signs that are put up to indicate these tendencies appear to be taken for exact measures. The consequences may be mistakes of considerable dimensions.

Mistakes of this sort seem to have been prevalent in 1924. During the spring and early summer many people succeeded in convincing themselves that business throughout the country was bad. That it was dull, exceedingly dull, for some kinds of

enterprise there can be no doubt, but there would seem to be equal certainty that business generally did not reach the low point to which it was supposed to have fallen. Neither is there any doubt that the volume of business is now on the up grade, even for iron and steel and textiles.

Almost simultaneously the Federal Reserve Board announced its index for production in basic industries for June and the debits to individual bank accounts throughout the country for the week ended with July 30. Due to no fault of the Reserve Board, there was a difference in date, but even if allowances were made for this the two statements did not sing in the same key. The production index was in a very slow minor, almost a funeral dirge. The debits to bank accounts were in a major key that had a suggestion of liveliness in it. In the production index, three great industries—iron and steel, textiles, and coal—which have felt the brunt of dull times, count for 55 per cent. Such a percentage is pretty much of a handicap for other kinds of business to overcome.

Nevertheless, the debits to bank accounts of individuals in cities outside New York have had a weekly average above the weekly average for the corresponding quarter of last year and far above the weekly average for any quarter of 1922. So far as debits in the banks of New York City are concerned, they are three quarters of a billion dollars over the amount for the corresponding week of last year, but to an extent that cannot be determined activity on the stock exchange, international transactions, and other factors not necessarily reflecting the volume of domestic business may enter into them.

If a calculation is made to eliminate differences arising from lower prices this year than last, one quickly discovers that, so far as bank debits reflect business activity, there has been a greater volume of business this summer than last in more than half the federal reserve districts and in the balance the falling off this year did not exceed four per cent in any district.

There is much to encourage belief that when we come, next December, to write the business obituary of 1924 we shall be able to include some pleasant expressions.

Ruled Off by Relations

A WIFE'S cousin, it seems, may be a legal impediment, in the opinion of a member of the United States Tariff Commission. Just how far out in the possible ramifications of a wife's relatives official embarrassment may exist for a member of the Tariff Commission has not yet been disclosed. It is certainly clear, however, that any person who has aspirations to become a member of the commission should at once begin to give his wife's cousins a thorough overhauling and see that they cease engaging in any useful occupation.

The dangers inherent in distant relatives, including those more or less vicariously acquired through marriage, became apparent when the farmers petitioned the commission to give thought to the competition they were having with butter imported from Denmark, Argentina, and New Zealand. They made out a case that warranted the Tariff Commission starting its machinery to grind out the exact facts.

At that point, one commissioner bethought himself of a farm he owned,—a farm, presumably, on which grass might grow and start a course of events resulting in butter; so he avowed he was "interested" and incompetent to consider the farmers' case.

Heart-searching is likely to be contagious, as many a religious revival has demonstrated. That is the way it proved in the Tariff Commission; for another commissioner discovered, and made public acknowledgment, that his mother owns a farm on which a cow might graze, but was in the status of having leased it to somebody else. Not to be outdone, a third commissioner went to the "mercy seat" and confessed that his wife's cousin is

a real dairyman—whether or not he ever makes butter does not seem to have been settled—and he was accordingly interested.

To all this there was a serious side, for the commissioners; for Congress had decreed that none of those who considered a case affecting an article in which he was interested should receive any salary. The commission is now diligently seeking an authoritative statement regarding the most distant relative whose business may cause "interest." It is to be hoped the commission will be as earnest in the attention it gives to butter.

"Blue Stripes" in Business

SPEAKING of obvious things, as nobody was, did you ever observe the blue stripe down the side of a mailbag?

That blue stripe has been there so long that memory in the Post Office Department fails to run to a time when it wasn't there. Why it's there, nobody seems to be able to say. There is a tradition that several generations ago there was also a red stripe on some bags and that the blue-striped bags were used for ordinary mail and the red-striped bags for registered mail only.

However, that hasn't a great deal to do with this tale. The main thing is that the blue stripe is there, nobody knows why, probably just because it has been there for many years.

The other day one of General Lord's bright young men decided to investigate the blue stripe. General Lord, it should be remembered, is the Director of the Bureau of the Budget. He has stationed a man in each department for the sole purpose of making suggestions for saving money.

"Why the blue stripe?" he asked all the way from janitor to the chief of operations.

Nobody knew.

"You know it costs a cent a yard more than it would cost if the bag were all white?" he continued.

No; nobody had thought of that.

"Well, let's discontinue it," he suggested, and nobody objected.

He then took out his pencil and made some figures on his ever-ready pad.

"We use 2,000,000 yards of that stuff a year," he concluded,

half aloud. "Two million times one cent means \$20,000."

That's what it comes to—a saving of \$20,000 a year. So the blue stripe is going into the discard and in the future all mailbags will be white—at first, anyhow, and until they are soiled by use.

And the thought that forces itself into our mind is that the "\$20,000-a-year blue stripe" probably has its counterpart in a good many private establishments that have never undertaken an investigation of the obvious.

One Guide Post by the F. T. C.

ADVICE in advance is the sort most of us would like to have, and the possibilities of the Federal Trade Commission for giving business men advice as to legality under the anti-trust laws in advance of the action they contemplated had a great deal of attention ten years ago. After much discussion, it was decided that citizens of the United States are hardy chaps and should continue to travel about in their business undertakings at their own peril from the Sherman Act, as well as from all the rest of the voluminous statute book.

On July 31, however, the commission issued some advice in advance. To be sure, the commission succeeded in giving the advice only by a majority of one, as two members seem to have remained stoutly of the opinion that the commission should not indulge in advice in advance. Besides, the advice was not given under the law with respect to unfair competition but related to the Webb-Pomerene Act of 1918 permitting cooperation in export trade on the part of competitors.

The producers of silver wished to decide the possibilities of their acting under the law of 1918 in sending their silver abroad. But they ran into some questions which they considered vital. These questions they asked the commission to answer. Having four members, the commission divided equally on the question of the advisability of responding, and an equally divided court or commission is in the same difficulty as a hung jury. But a

vacancy was filled, and the new appointee voted to give advice. Thereupon, after waiting eight months, the producers of silver got their answers.

Take a Chance

MOST of the copy books tell you not to gamble. The copy books are wrong. Go ahead and gamble. But—gamble for stakes worth while.

And I don't mean a table stakes poker game or "Put and take" for fifty cents a spin. Because those stakes aren't really worth while. It's not so much the money you lose—if you lose—but the time you waste.

After all you've got only about twenty or thirty productive years to represent your stake and you ought not to fritter away any of that in piker gambling.

Gamble your time against opportunity! There's a regular game. Play it—and play it hard.

There's been altogether too much bunk written about the poor young man who gets success by plodding along, saving his pennies and being honest, hardworking and faithful.

That young man usually discovers himself still plodding along at fifty, while some apparently reckless gamester sort of individual has copped all the success prizes in reach.

It's the chap who watches for chances—and who, when he finds them, plays them to the limit of his ability, wagers his time and his nerve and his faith in himself on them—that's the lad who grabs the juicy job and lands the corpulent contract.

Half of the biggest business successes of today are men who had an idea—and backed it up with everything they had, brains, push, energy, time and the wad, however big or small.

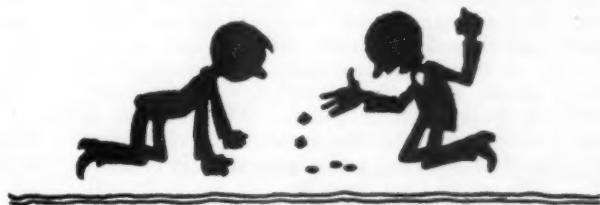
They tossed the whole roll on the table and played their cards like plungers. They didn't let old frozen-faced Doubt faze them, and they weren't frightened by bleak Defeat, they bluffed frowning Fate and made old Destiny lay down his hand.

Why, that sort of gamble makes poker or craps or mah jongg look as tame as a game of tiddle de winks at the Wednesday Tea of the Ladies' Sewing Circle! It has pinochle, bridge, roulette and the races beaten to a frazzle for excitement and thrills. It's more interesting than speculating in Wall Street.

And it's the one kind of gambling which, if persisted in, is bound to pay in the end. You may lose your stake a half dozen times playing the wrong hunch, but if you keep up your grit and nerve and watch your chances, you'll eventually pull in a pot that takes both arms to encompass.

Gamble? If there's a spark of pep in you you can't help it. But, I repeat, pick your game.

—BERTON BRALEY.



A Business Innocent Abroad

He Finds That "Impressions" and Realities Are Two Very Different Things

By HENRY SCHOTT

IN CENTRAL EUROPE—In wandering about over here I have learned at least one thing. It comes hard to admit it; many of my best friends will consider it a personal affront. I shall be throwing bricks at myself, too. But the editor told me I was to be free, unshackled and untrammelled in my expression, so here goes:

Don't take too seriously the "impressions" of a traveler in a foreign land. They are apt to be misleading.

I had long suspected it. When I read Mrs. Trollope's views on America, written almost a hundred years ago, I felt she should have gone to a good oculist. She had lived in America a year or more, as I recall it, but her outstanding impression was that of our best male Americans resting their feet on the velvet railing of a box in a theater in Cincinnati, chewing tobacco and broadcasting it. Her's was a very popular book in her old home in England, but it did not have so good a sale in the United States.

Then Charles Dickens was persuaded to come for a visit and lecture tour. After he had subjected our institutions, social life, business practices, our hopes and ideals, to a thorough analysis down in the bottom of the retort, he found his result in a Mississippi-Ohio-Missouri river color residue identified as Cairo, Illinois, before the Civil War. That was Dickens' deepest impression of America. I never saw Cairo before the war, but I have seen it since and it could never have been as Dickens wrote about it—I'll say that for Cairo. If Dickens could see it today, I am sure he would be glad to be permitted to live there.

A Polish Impression of Chicago

AND KIPLING. Remember how the silver dollars in the floor of the Palmer House bar affected his ideas about the United States?

Over in Buda Pesth a young Pole was very glad to see me. He had visited Chicago on a war mission in 1918. Spent two weeks there.

"The most amazingly strange and interesting city I ever saw," he said. "Nothing like it in the world. Conceive," he said, turning to a friend, "all day long, from morning until late at night, in the summer heat the inhabitants, men, women and children, wear bathing suits on the streets, take tea in them, shop in them, transact business in them. And no one observes! Only in the busiest section of the city are ordinary clothes worn, but once at home it is the bathing suit—thousands of people on the streets, in the parks, cafes, even in the cinemas. Comfortable and economical—and most pleasing, too. An amphibious people—into the great Michigan



An amazingly strange city, Chicago, where they go about the streets in bathing suits

Sea for an hour and then to the theater or to an ice cafe and again into the sea. Amazing and charming."

After some earnest words with him I found that he had been quartered in a lake shore hotel in the north side apartment house district, where he spent his leisure hours in the late afternoon and at night. It was a hot summer and the flat dwellers had turned to the lake for relief. But my Polish friend knows that Chicago's conventional summer dress is the bathing suit. "Why, in the ice cafes and theaters they have to have signs saying that only patrons in dry bathing suits are permitted," he protested when I tried to explain.

Take so keen an observer as the English novelist, Rebecca West. She wandered into America a year ago and has written an interesting series of observations for *The Sunday Times* of London. She has a keen mind and is one of England's first writers. What was the high spot in America for her? In the opening article, not far from the first paragraph, she was overcome with the practice of the able-bodied, strong, upstanding young men of the United States—men who seemed sound and normal, physically, mentally and morally—of crowding about soda water places, even before noon, and absorbing sweet, syrupy drinks of various colors. What manner of males are these that make up an important part of the most active generation in America and spend their time on high stools in soft, sweet and low drink places in the middle of the business day! She was alarmed for the future of America.

As a traveling observer, Miss West makes a good point. It does seem alarming that in so busy a country, vigorous young men should find inclination, not to mention time, to hang around drug stores and toy with the insidious strawberry sundae. What Rebecca, as a traveling observer, did not see, is what the

hardened American well knows. These young men at the drug store soda-fountains "even before the noon hour" were the first lunch relief from the nearby stores and offices, and they had come to a place where they could get it and get it quick. And a drug store soda-fountain does not only mean soda, by all means. Had Miss West had time to investigate she might have found those high stool gourmands spearing pigs' feet and sauerkraut, or veal cutlets smothered in pork chops, or even a ham sandwich with a lot of mustard and dill pickle. There was simply no reason in the world for Miss West, with her limited time,

to learn the true inwardness of what can come out of a drug store soda-fountain or go into a young American business man in the rush hour.

I can well understand how a drug store soda-fountain would impress a foreigner. I, as an

American, have stood in front of a tea room in London, looking through the windows, and wondered about the young men crowding in along about 4 o'clock and openly ordering tea and cakes. And in Rome. One restaurant, Biffi's, has an acreage comparable to that of a modern athletic field. I never came there early enough in the morning to find fewer than two or three thousand men at the tables. Eleven or twelve at night—still crowded. Few of them eating, fewer drinking, just talking. No card playing, no funny stories, just talking. I, a foreign traveler, then and there, proceeded to observe that the Italian men spend all their time in cafes, talking about nothing. Obviously, they must be talking about nothing, for no two men or group of men can find something to talk about for three or four hours. My Italian friend explained to me that it is a meeting place for business men, that Italians do not use their offices as do we in America. If there is to be a business discussion with us Americans, those interested will meet in an office. In Italy, he told me, they will meet in a cafe.

Much Talk for Little Coffee

"THIS place is as much an exchange as a restaurant," he said. "At night, business and—quite likely—politics; something of a club, too. They'll spend three hours at a table and the eating and drinking may be limited to a small cup of coffee each."

I ask you, can you imagine a group of American business men having a three-hour conference at a restaurant table over a small coffee apiece? Nor could I. And our American restaurant man, with his motto, "Get 'em in and get 'em out," could not see the picture without tears.

The Italian Government sent Dr. Diomede Carito, a scientific gentleman, as one of its official representatives to the St. Louis World's Fair in 1903. He spent a year or so with us and, of course, wrote some impressions. I happened to find his book in a hotel library, a great place to run on to interesting

and forgotten writings. Dr. Carito was completely baffled by the American philanthropist. The mental operations of our millionaires in their public gifts were beyond him. He was willing to concede that the American millionaires gave freely, but what he could not understand or quite forgive was that they gave indiscriminately. He called his book "The Land of Washington: My Impressions of the North American Psychic."

Notice how this trained scientific mind proceeds to "impress" page 204 about the American philanthropist:

A remarkable and absolutely peculiar trait of the North American which surprised me was that of the so-called "philanthropist without heart," as a number of European writers baptized a special type existing in the land of Washington; a type of Croesus with a cold heart, "impervious to a sigh," who spend treasures on the fulfillment of some social aim of national character.

One day in New York an Italian colleague, talking with me on this subject, said: "*Lupus in fabula*," pointing out to me a man in a motor car. He described the life led by that man, and exclaimed: "His boundless wealth has made him famous all over the world. I don't know how to characterize him. I cannot say whether he is neurasthenic or only eccentric. His doctors pronounce him neurasthenic. But it is certain that his heart is as hard as flint."

The Ways of Philanthropy

AND NOW, gentle reader, note how Mr. Flintheart, the old tightwad, acts when the doctor's friend goes to see him:

All the misery around him does not touch him. And yet, when I made an appeal on behalf of an undertaking of public utility, he opened his purse and lavished gold for the funds that were being collected. And you will find hundreds like him. But you will make a mistake if you call him "philanthropist." Perhaps he is not altogether wrong, for he has done great good without pose or pomp. It is pure accident if his name is seen in the list of the most conspicuous donors.

... I remember to have read in some book the words put into the mouth of one of the personages: "The Anglo-Saxons, the greatest cultivators of physical energy, have banished the word *pit* from their vocabulary."

There you are—another foreign impression. The American pours out his gold, "without pose or pomp" and with great good, but still he does not do it the way the visitor from abroad would have him do it, therefore there is something decidedly wrong about the American philanthropist—at least that's the foreign traveler's "impression."

On page 209, Dr. Carito comes back to the American millionaires; they interested him strangely, but let him tell it:

Some Italians in New York pointed out to me as a type of eccentricity a millionaire of Fifth Avenue, who, some years ago, on his wedding day had caused to be performed in a theater, constructed *ad hoc* in his splendid park, a drama representing the life of ancient Rome. A hundred naked slaves appeared on the stage! This caprice cost the Croesus the sum of three million dollars.

After consideration I remarked that the epithet of eccentric was ill-applied, because it was a case of decadent mentality. I have said I could write a volume on this subject, and if I were to relate only the half of the anecdotes collected, and what I myself had observed, I could write two.

No reason for the doctor to limit himself to two volumes. He could have written thirty; he could have written just as long as "some Italians in New York" continued to walk along Fifth Avenue with him and tell him interesting and intimate details about the residents of the splendid parks that line that thoroughfare. One little caprice for three

million dollars! A hundred naked slaves! No wonder we restricted immigration. I marvel that anyone stayed in Europe.

The doctor was honest in his impressions of "The Land of Washington," and I would be the last to ascribe dishonest motives to his countrymen who were showing him about. With no intention of misleading him, moved by enthusiastic hospitality, they were endeavoring only to interest him. Naturally, there are hospitably inclined people here in Europe who feel it their duty to give me impressive information and I, with most other travelers, am eager for it. Like the doctor, I could write two volumes about it.

From now on I shall suspect all travelers' "impressions," including my own. They may interest me, but I shall refuse to be impressed.

I was just about to give an impression of Portugal. It concerns a crisis. All over this part of Europe, from Turkey to the Atlantic Ocean, they have crises these days. Once a week there is a crisis in the national government, and then there are daily or twice-a-day crises in the state, city and country administrations.

This particular Portuguese crisis has many unusual elements to make it stand out. The "Close-fisted Minister of War and the Enterprising Aviators" would make a good title for the story of this upheaval. My authority for this impression is the correspondent of the Netherlands newspaper, the *Allgemeen Handelsblad*. It seems that two young military aviators, stationed near Lisbon, decided that Portugal should be represented in the around-the-world aeroplane race. So they went to the war minister and asked for a plane, funds and the necessary authority. What he gave them was the information that flying around the world costs money, of which he and the government had none to spare. The aviators wasted no more time with him, but turned to the manager of the Vacuum Oil Co., and bought a tank of oil on credit. Then they rolled out a machine and, without passports, money or authority, started to do the globe.



gueuse discoverers, the Vasco da Gamas, the Magellans, the Albuquerque, was asserting itself.

All of this seemed to irritate the Minister of War and he sent a staff officer to supplant the commandant of the aviation corps; he'd see who was running this army. The aviation chief refused to let his successor come within a mile of the camp and sent word to the Minister of War, through the newspapers, that the army would start a revolution on the spot unless these petty annoyances ceased.

A crisis!

The government acted promptly. The war fleet, anchored in Lisbon harbor, was sent out to sea at once under sealed orders. That is always the first step of the Portuguese Government in a crisis. It suspects the navy of being ready and willing to join any opposition. The citizens object to having the town all shot up, and so the fleet is asked to take itself and its guns far away from home whenever trouble appears.

The war minister's next step was to send a notice to the papers in regard to the threatened army revolution.

Fight Battle in Press Trenches

"I KNOW positively," he said, "that the various branches of the army are on my side and opposed to the aviators. The resistance of the flying forces will be wholly futile."

The fliers came right back in the next editions. "Let him deceive himself," their statement read. "We have the absolute assurance that the cavalry and the fleet are with us, while the artillery is neutral. And, by the way, we have these hills thoroughly planted with machine guns."

That gave the minister a chance to laugh. Everybody knew, he said, that there wasn't a single one of these machine guns equipped with a water-cooling jacket. Besides, he had a piece of artillery in position to make the aviation camp a waste the minute he might give the word.

The aviators had to admit the lack of water jackets. Under those circumstances they would be compelled to fly over the capital and practice bomb-dropping.

"Not too fast," said the minister in his next communique, "I realize that you have two Breguet bombers that will fly, but you forget that the only man in the army who knows how to handle a bomber is Beires and he is flying around the world—last heard of in Calcutta."

So the crisis continued through all editions, day after day, until something more interesting crowded it off the front page and it gradually died.

With that impression of Portugal, by way of Holland, I have scratched Lisbon off my itinerary. Remember, it's an "impression."

They rolled out a machine and without passports, money or authority, started to do the globe

CHARLES DUNN

John Bull in the Garden of Eden

By GEORGE CARY

EVER since Adam and Eve staged the world's first scandal, and were put out of Eden, one great human drama after another has been set in this famous old land of Babylonia. The very story of civilization itself has been largely shaped by what has happened between the Tigris and the Euphrates. And right now, while Yankee date and licorice-root buyers crank their Fords near where Noah caulked his Ark, another great epoch in its history is about to dawn.

From the voluptuous days of Belshazzar, from Alexander with his Greek hordes and elephants, from Darius and Xerxes, from Timur the Tartar—from the very dawn of history—this plain has rocked to the marching feet of Assyrians and Babylonians, Medes and Persians, Arabs and Turks, Germans and Englishmen. Mesopotamia, this romantic region, was marked on our pre-war maps; but Iraq, they call it now, with its Bedouin king at Bagdad. And over it all, by the bewildering, yet sometimes benign, dispensations of Versailles, the cautious British hold a mandate.

To the untamed Arab the blessings of this new system called the mandate, which gives England the right to help his king collect taxes and use bombing planes to keep order, are not so visible as they may be to the statesmen of Downing Street. Nor, on the other hand, is the British taxpayer back home exactly tickled to death when he reads that so far the "Mespote muddle" has cost England maybe three hundred million pounds.

But the occupation of Iraq is in line with England's old, old policy of buffer states. With this mandate, England can keep any northern enemy from coming hammering at the gates of India. Also, it may enable her traders and investors to make a modest penny

in this rich region where Nebuchadnezzar walked the flat roof of his palace and admired his verdant fields, before he was banished to a diet of grass with the wild asses.

To see just who put the ire in Iraq, with all its arguments over Mosul oil, railways, cotton lands and conflicting American and English claims, we must glance back to 1914. In those evil, brooding days of mutual distrust and suspicion, Bagdad was the political watch-tower in this eastern world. Here sat Russia, her slanting, slavish eyes on India, working out the famous "Will of Peter the Great"—pushing slowly south, towards warm salt water. Here sat the powerful British Resident, backed by Sikh troops and Tigris gunboats, guarding on the north line the activities of the semi-

official Anglo-Persian Oil Company—bound in sheer self-defense to control the Persian littoral, come what might. From Berlin came the Germans, stringing their long railway closer and closer—like a dangerous, burning fuse.

Here, then, in this old Garden of Eden lay Bagdad, a politico-economic war bomb, whose inevitable explosion rocked the whole middle east when the fateful flash came out of Europe—in August, 1914. . . . Then again the old, old combat of Cross and Crescent; Townshend's defeat at Kut. . . . The turn of battle, Maude's triumphant drive, and the brilliant "blood-and-guts" of old England flying above the bullet-pitted palace of Haroun-al-Raschid. . . . Now—an Arab king, playing sullen second fiddle to a British High Commissioner, and trouble, trouble, everywhere!

Not the least of England's grief—in the treaty signed with Feisal—is her promise to help put Iraq into the League of Nations!

Also, she binds herself to help Feisal—through a numerous staff whose salaries, incidentally, he must pay—to reclaim and restore this shattered Garden of Eden. In emergency, she must even help him with money, and with arms and men, against his enemies.

Already both "emergencies" have arisen. True to their sporting blood, the English leapt quickly into the fray. Parliament voted 533,000 pounds to cover a deficit in Iraq's railroad budget; and, to save Feisal's camel corps from destruction at the hands of warlike Bedouins who can't appreciate the mandate, England sent hundreds of planes from the Royal Air Force to Mesopotamia.

Whizzing over Jonah's tomb at ancient Nineveh, or wheeling down past ruined Babel—where Alexander the Great got drunk and died—these planes go scouting and bombing, teaching the ways of Christian civilization to the wild desert tribes who'd rather slay the tax-collector than have him seize their camel herds. It has been no picnic for the harried sages of Downing Street, this "muddle in Mespote."

But even if Iraq should be folded to the troubled bosom of the League, and British troops then withdrawn from Bagdad, the oil, bank and commercial interests would never scuttle. They'd never have to—with British troops as close as Basra. It's characteristic of England's trade policy, too, that she looks beyond the mere profits of the hour; she plans her commercial expansion years and years ahead. There's a curiously cumulative value to her in the long, long hold her merchants have had on the markets of this middle east.

Away back in the seventeenth century—before the United States was even dreamed of—the intrepid factors of the Honorable East India Company had opened offices at Bagdad, in an ancient Arab structure beside



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The Garden of Eden where, ever since the eviction of Adam and Eve, one great human drama after another has been staged; where from the very dawn of history, the surrounding plain has rocked to the marching feet of Assyrians and Babylonians, Medes and Persians, Turks and Arabs, Germans and Englishmen

the Tigris, where to this day English merchants still carry on!

"Romantic enough," you grunt, "as light summer reading! . . . But if Iraq is a total loss, why do British traders stick? On the other hand, if a boom's really about to hit the Garden of Eden and bring white men hustling back to Adam's old home to trade and bore for oil, where do we Yankees come in? We're just as much the heirs of Adam and Eve as the British — whether we were born in Arkansas or Jugoslavia!"

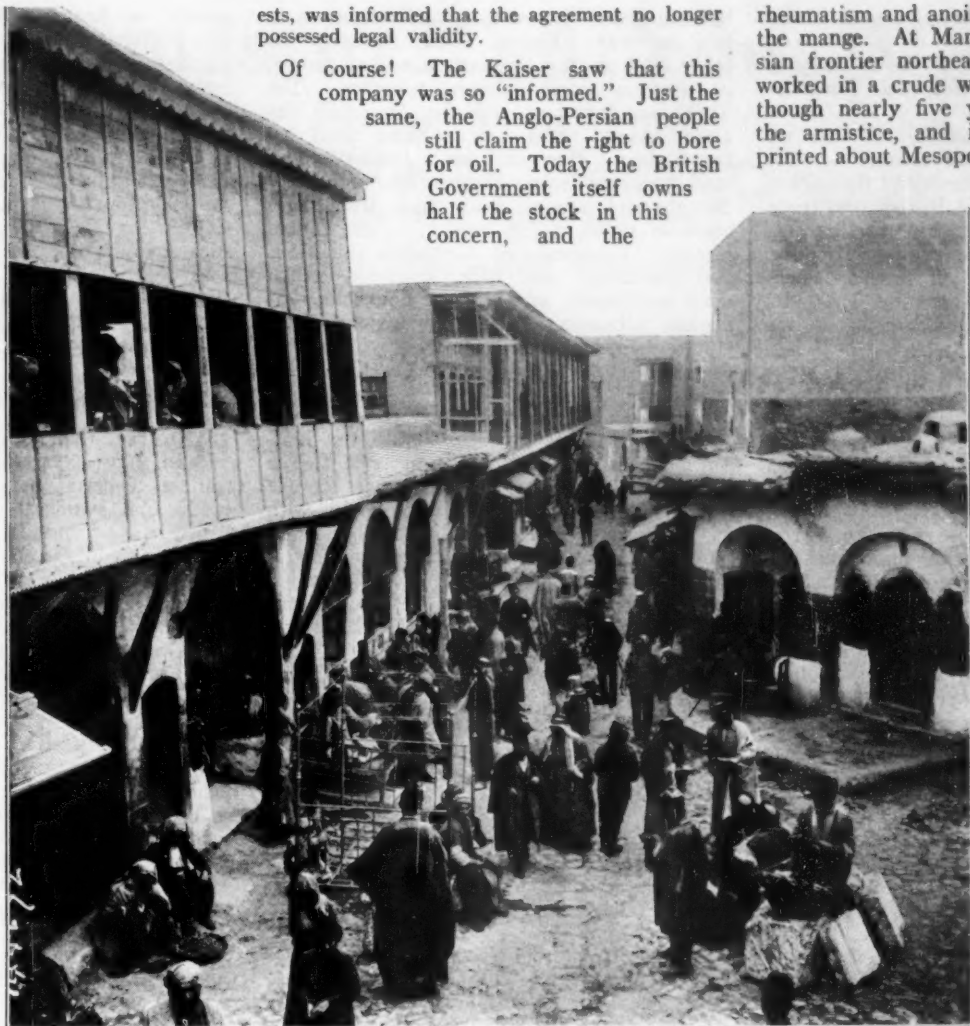
Fair enough! The British traders stick because—in spite of the staggering bill England has paid for this occupation—the traders themselves are earning their way and confident of the future. Even now their business, with and through Bagdad, is worth maybe \$25,000,000 a year. Included in this, since few Yankee traders have ever lived at Bagdad, are American products, such as farm machinery, steel, locomotives, piece goods and sewing machines, imported and sold by English firms; we can't estimate this, because these traders buy mostly through London and Bombay. Many of our smaller products, like cheap watches, fountain pens, lanterns and electric fans, are also well known to the Arabs, but they are commonly thought of as "English" because the British sell them. By direct Basra-to-New York steamers, we take each year thousands of tons of dates, sausage casings, licorice root, carpets, wool, skins and gum arabic, worth between one and two million dollars.

As to oil, let us read from the official British Handbook, "Mesopotamia":

A British subject, Mr. D'Arcy, who had considerable oil interests in Persia, started negotiations at Constantinople in 1902 with a view to acquiring the oilfields of the two vilayets, and received from two Grand Viziers the promise that the concession would be transferred to him. From 1912 onwards attempts were made to effect a fusion of British and German interests, and an agreement was drawn up in 1914. In pursuance of this agreement, a company was incorporated in Great Britain under the name of the Turkish Petroleum Company, Limited; and the British and German Ambassadors at Constantinople were informed that the Porte agreed to lease to the company the oilfields in the vilayets of Mosul and Baghdad. No definite settlement as to the terms of the lease was reached before the outbreak of the European war; and in November, 1915, the Anglo-Persian Oil Company, representing Mr. D'Arcy's inter-

ests, was informed that the agreement no longer possessed legal validity.

Of course! The Kaiser saw that this company was so "informed." Just the same, the Anglo-Persian people still claim the right to bore for oil. Today the British Government itself owns half the stock in this concern, and the



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Mosul promises to be the Tulsa of Mesopotamia when the wrangling over its ownership has ceased and modern derricks and rigging displace the crude and primitive tools now used in extracting petroleum from beds said to be the richest in the world

French hold the 25 per cent that once was German. But here's the rub: Turkey now insists that Mosul is *not a part of Iraq!* If this is true, whether the Turkish petroleum concession is good or not, Americans have as much right as anyone else to seek oil in Mosul. At any rate, till this boundary is definitely fixed, it is not likely that derricks and rigging will be moving very far past Feisal's outposts.

Even Noah Knew About the Oil

THAT oil is here no one doubts. As early as 1901 a German geologist reported that "these petroleum regions are among the richest in the world." Since Roman times these pools and seepages have been known and written about. Noah caulked his ark with bitumen from the wells near Hitt of the Hittites, tradition says. In place of mortar, this bitumen was used between the bricks in the palaces of Babylon. When the excavators were busy, I saw them uncover the sides of walls; and there, as plainly as if made yesterday, were the finger prints of the ancient masons—clearly traced in this bitumen mortar that was put in place four, five, maybe six thousand years ago.

All the way from Mosul down to Ahwaz, where the Anglo-Persian wells are flowing, oil indications have been found. A few miles south of Mosul is the Kaiyarah region. From time immemorial the natives have dipped bitumen from this lake and distilled a crude oil. With this they cured their

rheumatism and anointed their camels against the mange. At Mandali, too, near the Persian frontier northeast of Bagdad, wells are worked in a crude way. Thus far, however, though nearly five years have passed since the armistice, and in spite of the words printed about Mesopotamian oil, nobody seems

to have struck any. If so, it's been kept pretty quiet. Ultimately Iraq's greatest wealth will come from the soil. Time was, before the Tartars came, when—as Herodotus tells us—"here was the granary of the world, a sea of waving verdure from end to end." As far as you can see, on the plains about Bagdad, there rise the wind-blown mounds that once were towns and cities. We used to play golf on this plain and occasionally pick up a strange, ancient coin, a curious red crystal seal, or a tiny glass tear-bottle, remnants of some vanished civilization. From the tops of such mounds, on a clear day, you can easily pick up and trace, here and there, long, shallow depressions that were the irrigation canals watering this Babylon in old days. One of these big ditches, the Nar-a-

wan, was 100 feet wide and nearly 400 miles long!

The Turks know how rich this country is, and time and again they have tried to restore it to cultivation. Once they sent out a Turkish engineer from Stamboul, with funds to start work. His orders were to build a dam at ruined Babylon, on the Euphrates. He spent all the money building a big monument to himself, commemorating his engineering achievements *for having built* the dam. But he never even started the dam. The monument was a dandy. It's there yet!

Eventually came Sir William Willcocks, famous for his work on the Nile and in Egypt: He did build a dam at Babylon—a fine structure 1,000 feet long—to store the waters of this river which often rises 10 feet in a night when Armenian snows are melting. He gave back to Eden a vast area of land now planted to wheat, barley and maize. Had not war interrupted, his plan was to spend some \$80,000,000, and eventually to reclaim all the arable land between the Tigris and Euphrates, from Samarah down to Kurna.

I visited Sir William once at his camp on the Euphrates. He showed me a lot of American structural steel, imported for use in the dam. "One of my troubles is," he said, "that these Arabs won't use wheelbarrows. They carry dirt in the apron of their skirts like a woman would, or use a basket. But no wheelbarrows!—ask 'em why, and they'll say they've handled dirt for a

thousand years without a wheelbarrow—that's all!"

Hard up as King Feisal is, he is carrying on this Willcocks plan, with what funds he can raise.

"More money on irrigation, and less on railroads, army camps, and tankers for the Anglo-Persian people," is the cry of the critics. And it's loudest from those British who trade with Iraq. Without increased farm acreage, they say, Iraq can never prosper; for the oil industry, even should it develop enormously, could hardly absorb the 1,500,000 people who live here. Manufacturing, as we know it, does not exist.

Railroads Mean Much to Bagdad

ON RAILROADS alone, some fifteen millions sterling have been spent. Lately, it is said, England offered to sell the whole system to Feisal for three and a half million—but he said it was too much.

Be this as it may, those who knew the Bagdad of earlier days—cut off from the world for months by warring Bedouins or river floods, its commerce dependent on camels, mules and river rafts of inflated goat-skins—can easily understand what the present system of British-built railways, bridges and highways means to its trade. Instead of wasting maybe two weeks stuck on sandbars in the Tigris, while playful Arabs on shore shoot you up at will, you can now go from Bagdad to Basra on good corridor trains in twenty hours. Northward, along the Tigris towards Mosul, service is open to Shergat, 190 miles upstream. These distances sound short, until you have ridden them on a sleepy mule in a temperature of 125 degrees Fahrenheit. And another new line, aiming at Teheran, in the heart of Persia, ties Bagdad up to the frontier town of Khanikin, 127 miles away.

This Bagdad-Khanikin line not only helps handle the heavy transit trade with Persia, but it gives a lift now to as strange a pilgrim stream as ever poured through this eastern world. To the southwest of Bagdad, out on the desert beyond Babylon, stand the sacred Shia cities of Kerbela and Nedjef. Down to these holy shrines there come trekking every year tens of thousands of Shia Moslems, from Persia and Kurdistan. Every year, month after month, for nearly a thousand years, this pilgrim horde has moved back and forth across old Eden—like ants with bundles. Nearly every incoming pilgrim carries his bundle; and that bundle is the dried and salted body of a pious relative, for burial outside the gates of Kerbela, or Nedjef. Here, on the open sandy plain, stand the world's largest cemeteries. An amazingly enormous city of the dead, it is; seen on a bright moonlight night it presents a picture never to be forgotten—a vast, glistening vista of oddly shaped tombs and sepulchers.

That fine red Bokhara in your library, or that "saddle bag" before your grate, may have come down to Bagdad with one of these pilgrim bands. Thousands of such Persian rugs are sold in the Iraq bazaars every year, by pilgrims who pay their expenses that way; or, not infrequently, wandering Sunni Arabs plunder the caravan and peddle their loot. But the trip is worth the risk, reasons the Shia. When he has made the pilgrimage, he is authorized to paint his beard red the rest of his life and to enjoy the distinctive title of *Haji*.

"We're now the biggest of all the Moslem powers," an Englishman chuckled, when we talked of Iraq.

Here, too, in the very shadow of Babel's

historic tower, the confusion of tongues is as bad as ever. Except India, probably no other land shelters so many kinds of people, or uses so many different speeches. The Turks are Sunni or orthodox Moslems; the Iraqi, largely Shias, and a bitter feud between them. Here in Eden a hundred thousand Jews are living, Hindus, too, and many Nawabs and princes, descendants from those kings of Ouhd, exiled here after the Indian mutiny. Fragments of Nestorian Christians and Chaldeans are here, scattered Yezidi devil worshippers, and at least one colony of ancient Sabaeans. At certain seasons, these star worshippers, garbed in white, wade into the river on star-lit nights, to do their weird devotions.

And woe to the Christian who ventures too near the Shia temples! With the British Resident at Bagdad I went once to see the golden domes of Nedjef—that strange walled and windowless Shia stronghold, with its mysterious underground chambers. It took us three days to get there, and about three minutes to get out. I never knew before how many sticks and stones the air can hold at once! Infidels are not wanted in Nedjef.

In exercising her mandate, this conflict of religions is one of England's big problems in Iraq. Many of the Mujtehedes, or law-givers in the Shia mosques, exert great influence. Once the Shah sold a British concern the monopoly for Persia's tobacco trade—a fat contract. When the Mujtehedes at Nedjef heard of it, they protested that it was a sin thus to favor the infidels. And, although Nedjef is six days by ass from the Persian frontier, they made the Shah revoke the concession!

"A jinx is on the place, I tell you!" asserted a Yankee vice-consul, back from Bagdad. "Cholera, Bagdad boils and sun-stroke . . . nothing but trouble, ever since Adam. . . . But if anybody can clean house in Eden, and put it back on the map, the Tommies will do it!" he declared. No doubt they will. Britain is the greatest of all Moslem powers. Her experience with Mohammedans in Egypt, other parts of Africa, Turkey and India is curiously useful to her at Bagdad.

Putting the Jinx on a Camel

"DON'T point!" growled my English companion one day, as we rode past an Arab camp, and I had called attention to a tiny camel calf. "The Arab is shrewd enough when he's buying a gasoline pump, or a hand 'Singer' so his wife can patch their tent. But this land is the birthplace of sorcery, magic and incantation. And modernized as he seems, even the town Arab fears the jinn and the evil eye. If anything happens to that camel calf, those Arabs who saw you pointing will say you're to blame—that you put the evil eye on it. Then it's no more wild guinea shooting for you and me along this bank of the Tigris!"

Before the war, many Arabs would run from an automobile, or throw stones at it, even in the streets of Bagdad. When fighting stopped, 5,000 motors were left in the country. Now every Jew, Arab and Hindu who has the price wants a Ford or a Rolls Royce. It spells prestige in the eyes of those who look on from the deck of a camel, or a plodding ass.

English banks and hotels have sprung up. The *Bagdad Times*, printed in English, circulates 2,000 a day. In my day, the thirty English-speaking people read the month-old London papers, which came across the desert by camel-post—Bedouins permitting.

From Cairo to Bagdad, an interminable

stretch of heat, sand, mirage and simoom dust! What with Arab wars, cholera and mutiny, it once took me thirty-eight days to make the trip—even via Basra and the sea. Now the English air mail flies it in ten or twelve hours! One officer, hopping off at Bagdad, got to London in less than a week. A British firm, operating motor busses, plans to haul tourists from Beirut to Bagdad. Cook's Agency is already on the job. With such famous ruins as Nineveh, Babylon, and Birs Nimrud—reputed ruin of the Tower of Babel—what cannot a good press agent do, diverting the tourist crowds from the Holy Land and Egypt back to this old Garden of Eden!

John Bull an Efficient Tutor

DESPITE their troubles, already the British have gone far. More than twenty trading concerns, some of them among the oldest and strongest in London, are established here—firms like Andrew Weir and Co., David Sassoon, the African and Eastern Trading Company, the Mesopotamia and Persia Corporation, of which Lord Inchcape is chairman. Even the all-powerful British Cotton Growers Association is here, aiding the Arab king to start this crop and add another great unit to the world's acreage. Under English direction, Feisal has established a Department of Agriculture, to study plants, analyze soils, to start nurseries and teach the Arab farmer to fight plant pests. At Basra there is developed the largest date orchard on earth—10,000,000 trees from which over 2,000,000 tons of fruit a year are picked. This tree must keep its feet in water and its head in hell, the Arabs say. To be sure of the water, hundreds of pumping stations have been installed by the British. The summer sun of Basra is hell enough, even for a date orchard.

Not so long ago, schools were so few, and of such low moral tone, that no respectable Moslem would send his sons. Today 126 schools for boys are open and twenty-five for girls—in a Moslem land where formerly an educated woman was accounted a curse to her family. Where, till lately, hospitals were almost unknown, forty government institutions, an X-ray and pathological institute, and a traveling dispensary for work among the desert tribes have now been established.

When you think of what Cromer did for Egypt, a bankrupt country with no more resources, when he arrived, than Iraq has now, you can see how important it is—for civilization and human progress—that the British should stay in Eden, oil or no oil. That is, if they can find another Cromer!

Big as their losses in men and money have been, the good England has done cannot soon pass away.

Verily, Adam wouldn't know the old place now!

Millions in Egyptian Cotton

COMMERCIAL production of Egyptian cotton in this country began in 1912. The importance of the industry is suggested by the fact that the total value of seed and lint produced in the 11-year period from 1911 to 1922, inclusive, amounted to \$63,000,000. In the year 1919 alone, the Department of Agriculture explains, when competitive buying by manufacturers of tire fabrics and other consumers of long-staple cottons resulted in exceedingly high prices, the value of the crops was nearly \$20,000,000—much more than enough to pay for the entire cost of construction of the Salt River Valley reclamation project including the Roosevelt dam.

Things to Tell Your Men

A Further Discussion of Simple Economics

By GEORGE E. ROBERTS

Vice-President, National City Bank

VI—Labor-Saving Machinery

THE DIESEL engine is one of the most economical motors ever built. With it industry can get almost three times as much power from a gallon of oil as with an ordinary engine. Since oil is one of our most important natural resources, society benefits as oil is utilized more efficiently. It would seem a step forward, therefore, if the Diesel engine could be widely introduced and used.

There is one class of persons, however, that has opposed the adoption of the Diesel engine. They are not merely the makers of other types of engines that may be displaced. Serious opposition has been felt from certain groups of skilled and unskilled workers—firemen, machinists, coal miners, and the like. In the Diesel engine, these groups have seen a competitor for their labor that may undermine them in the market and take away their jobs.

They have compared the Diesel engine to a horde of strong and tireless men who are willing to work for twenty-four hours every day for a wage of about ten cents. Wherever there is work to be done by a gang that can possibly be done by machine power, these groups have felt that the Diesel engine would take such work away from the skilled and unskilled workers.

Is Machinery Labor's Enemy?

WE SAW in the last chapter of this series that a machine, like the Diesel motor, is one form of capital. The conflict between wage-workers and the Diesel engine, therefore, suggests a broader question: Is there a conflict between wage-earners and capital? Does the introduction of improvements, in the form of labor-saving machinery, tend to rob wage-earners of a means of livelihood and thus operate against their interests? The object of this chapter is to examine into the various aspects of this question.

Since the earliest days of our industrial development, groups of wage-earners have regarded labor-saving machinery as an enemy whose advance was to be opposed. About 1790, for example, the knitting frame was invented. It was the first machine to be applied to the hand processes of weaving in England, and by its aid the supply of knitted goods made available for the masses was greatly increased. Yet so bitterly was the introduction of the new machine opposed that workmen broke out into riot. More than 1,000 of the new frames were destroyed at one time. The inventors were hunted down and had to flee for their lives. Order could not be restored until the military forces were called out and the leaders of the riot taken in charge.

This incident occurred so long ago that we have had opportunity to trace the effects upon laborers themselves of the introduction of the knitting frame which they so bitterly opposed. It is true that for a time many of the workmen were displaced. As many as 50,000, who formerly knitted stockings by hand, were thrown out of work, and it was several years before all could find employment. There was suffering, which rested particularly heavily upon those who were old, or whose work was highly specialized. But after time for readjustment had passed, the results were beneficial to those engaged in the industry, as well as to those out-

side. For example, for every person employed in knitting stockings by hand in 1800, over 100 were so employed less than a century later. Those who knitted stockings by hand in 1800 were miserably fed, clothed, and housed. Their condition was undesirable in the extreme. Yet in 1900, with over 100 times as many employed, this larger number worked for one-third fewer hours per week, received from three to seven times the average wage, and lived under conditions of marked advance over their predecessors.

One of the fields in which machinery long has been resisted is coal mining. In England the opposition to coal-cutting machinery, for example, has been much more effective than in the United States, where the improved methods are more generally used. As a result the production of miners in the two countries shows a marked difference over a term of years. The annual output of bituminous coal per miner using coal-cutting machinery in the United States, for example, has been 550 tons; in England, without the use of such machinery, the average output per miner has been only 270 tons.

Think how this increased output of coal has benefited everyone, including the miners, for the miners themselves must buy coal. They must also buy products that are made by power furnished from coal. The increase in coal production has benefited both the miners and wage-earners in general, for all wage-earners are coal consumers. The improvements in coal-producing methods have tended to make coal cheaper and more available for use. They have also helped to reduce the costs of manufactured products. Thus the entire consuming public has been enabled to buy manufactured goods more cheaply and in greater abundance.

The benefits to the masses that accompany the introduction of labor-saving machinery are nowhere more abundant than in the field of agriculture. According to the census, about 90 per cent of the population of the United States was engaged in agriculture in 1800. There were comparatively few manufactured goods. The people worked long hours in the fields or at the household industries. Their wants were simple because only simple wants could be satisfied.

Farm Production Tripled

TODAY, a population of over twenty times that number is supported by only about one-third of the people working in agriculture. This means that every man who works on a farm today can produce enough food for about three times the population he could feed in 1800. This does not include the large quantity of foodstuffs which we export.

Due to the introduction of improved methods and labor-saving machinery on the farm, more than one-half the people who formerly would have had to grow food are released for other purposes, and the amount of goods and services available for society's benefit are thus multiplied by their efforts.

We saw in the preceding chapter that the

introduction of machinery in wheat production had reduced the labor cost from 133 minutes per bushel in 1830 to 10 minutes in 1904. In the interior of northern China the rudimentary hand methods of growing grain are still used, and travelers from that country say that the same methods, if they prevailed in this country, would make wheat cost from \$4 to \$5 per bushel. Bread is one of the main items in the diet of wage-earners and of the masses. These figures of its probable cost under earlier methods reflect the benefits that follow the introduction of improvements in machinery.

The effect of advancement in machine processes in every industry is to multiply the power of the individual worker. Take the use of the farm tractor as an illustration. One man, instead of driving three or four horses, can now turn on the power of twenty, forty, or sixty horses. These latter "horses" can work twenty-four hours per day, and at a faster rate than any animal can work. The result is that the acreage of level plain which a man and his family can plant by aid of a tractor may be several times that possible through reliance on horses alone.

More Horsepower, More Buying

THE CENSUS of 1870 was the first in the United States to record the amount of power used in manufacturing establishments. At that time there was one horsepower employed for every nineteen persons in the population. By 1914, however, there was one horsepower employed for every five persons—and the number has risen since that time. The result of this increase in power used per inhabitant has resulted in a great increase in the total amount of goods produced. People have been able to buy these goods because they are themselves producing more, and thus have more with which to make exchanges on the market. The general standard of living has accordingly risen.

The introduction of machinery is not harmful to the welfare of wage-earners, as many seek to argue, nor does it tend to decrease their employment. As a matter of fact it makes for more employment, as a simple illustration proves.

Let us assume that the furniture manufacturing industry is at that stage in its development where a factory, employing 1,000 men, can turn out 100 tables a day. If, by investing more money in capital, the manager of the factory can produce the same number of tables with only 500 men, will the remaining 500 be forced into idleness?

At the outset, some of the workers might suffer temporarily, provided the improvement was made very suddenly, and provided, too, there were no increase in the public demand for furniture. But if good tables could be made with half the cost in labor that prevailed previously, the cost of tables to the public would tend to fall. Competition from the more progressive manufacturers would force all the manufacturers to find ways of reducing their costs, and thus of reducing the prices at which tables could be sold to consumers. If the public could get good tables for less than they formerly cost, the public could be expected to use more tables, the demand on the furniture factories would rise, the industry as a whole would expand,

and more men would be employed than before the original improvement took place.

This was the effect that ultimately came about in the knitting goods industry, to which reference was made earlier in this article. The introduction of the knitting frame so cheapened the cost of knitted goods that the masses of the people could use more of them, the industry as a whole was greatly expanded, and more people were employed at better wages than had prevailed before the invention of the knitting frame took place.

In the case of the knitting frame, the introduction of the invention came suddenly, so that suffering resulted from the readjustment. It is more usual, however, for improvements in industrial processes to be adopted more gradually, with the result that public demand keeps pace with the improvements; thus no large bodies of workers are displaced unless they refuse to operate machines or are otherwise unwilling to adapt themselves to the transition.

This is exactly what has taken place in the automobile industry. As new methods have changed and cheapened production, public demand has risen because the price of motor cars has been lowered. This demand has served continuously to expand the industry, furnishing a large and widening market for the services of wage workers.

Other Jobs in Other Plants

IT SHOULD not be forgotten, too, that the money which consumers save, when they can purchase a product at less cost, becomes available for purchasing still other products, or for expanding society's industrial equipment. Whatever is bought requires labor. So the fact that 500 men can produce as many tables as 1,000 men formerly could produce does not mean that employment is denied to 500 men. If the furniture industry cannot accommodate them, the other industries which benefit from increased purchases by consumers can use them.

The big result of improvements in capital is that more comforts and luxuries are made available to the masses of the people, and at the same time the demand for labor is not diminished. It is, in fact, increased, because a rise in society's producing power is the same as a rise in its purchasing power; if men produce more they can buy more, and this, in turn, again expands production, with a corresponding expansion of the demand for labor.

Of course it cannot be denied that readjustments surrounding the introduction of labor-saving machinery do throw a temporary burden upon some wage-earners. They may be forced to change from one industry to another; skill that is valuable in one field may be of less value in another. The situation is made still more difficult because the large mass of workers will not save, hence they are without means of tiding themselves over periods of readjustment.

These are factors that make it a serious social problem to devise methods of carrying

workers through such periods. They also explain why workers are prone to look at extensions of capital from the short-run point of view. They lose sight of the ultimate gains from mechanical improvements because their own incomes may seem endangered. As we have said, however, the introduction of such improvements is usually gradual, and they bring in their train added demands for labor, either within the industries immediately affected or in other industries that are benefited from an increase in the public's purchasing power. Investigators of unemployment rarely encounter an employed man who gives the introduction of labor-saving machinery as a cause of his unemployment.

But even more conclusive is the experience of labor generally over the past century. At no time in the world's history has labor-saving machinery been introduced so rapidly and on such large scale. Especially has this been true of the past forty years. Yet in all this time there has been no general increase in the amount of unemployment.

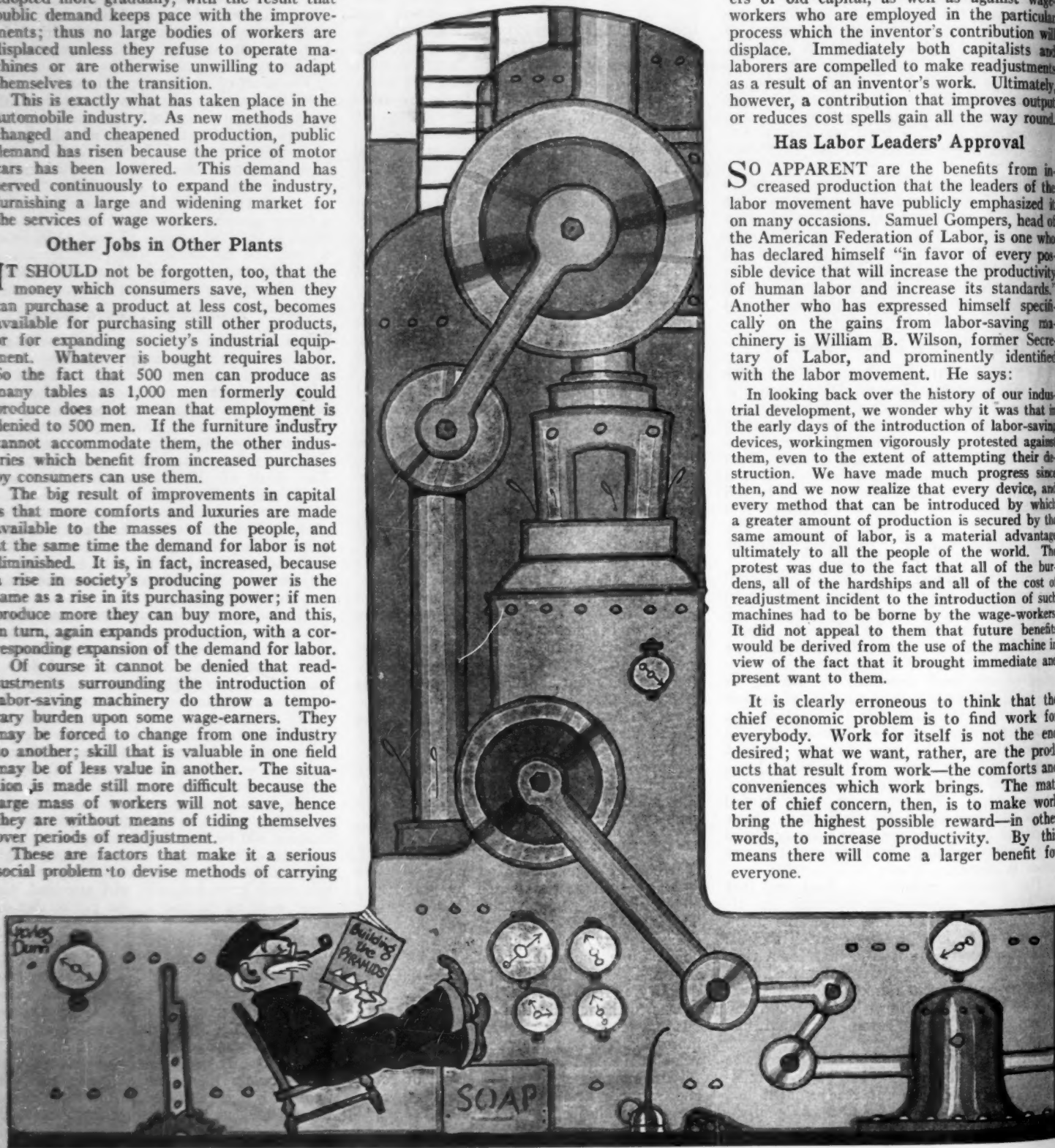
Another point that should not be lost sight of is that the burden of every new invention of labor-saving machinery falls upon capitalists as well as upon labor. Once investment is made in a certain type of machine, it cannot be readily changed. A new invention may mean scrapping the entire previous investment. In this sense the inventor of a new machine is "conspiring" against the owners of old capital, as well as against wage-workers who are employed in the particular process which the inventor's contribution will displace. Immediately both capitalists and laborers are compelled to make readjustments as a result of an inventor's work. Ultimately, however, a contribution that improves output or reduces cost spells gain all the way round.

Has Labor Leaders' Approval

SO APPARENT are the benefits from increased production that the leaders of the labor movement have publicly emphasized it on many occasions. Samuel Gompers, head of the American Federation of Labor, is one who has declared himself "in favor of every possible device that will increase the productivity of human labor and increase its standards." Another who has expressed himself specifically on the gains from labor-saving machinery is William B. Wilson, former Secretary of Labor, and prominently identified with the labor movement. He says:

In looking back over the history of our industrial development, we wonder why it was that in the early days of the introduction of labor-saving devices, workingmen vigorously protested against them, even to the extent of attempting their destruction. We have made much progress since then, and we now realize that every device, and every method that can be introduced by which a greater amount of production is secured by the same amount of labor, is a material advantage ultimately to all the people of the world. The protest was due to the fact that all of the burdens, all of the hardships and all of the cost of readjustment incident to the introduction of such machines had to be borne by the wage-workers. It did not appeal to them that future benefits would be derived from the use of the machine in view of the fact that it brought immediate and present want to them.

It is clearly erroneous to think that the chief economic problem is to find work for everybody. Work for itself is not the end desired; what we want, rather, are the products that result from work—the comforts and conveniences which work brings. The matter of chief concern, then, is to make work bring the highest possible reward—in other words, to increase productivity. By this means there will come a larger benefit for everyone.



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China's Salvation—Organized Business

By NATHANIEL PEFFER

WITH government in China in complete collapse, small armies overrunning the country, local authorities acting at their own sweet will in disregard of the central authorities, and bandits holding up through express trains and kidnapping all the passengers, what is it that holds China together? The same thing that always has held China together—business, organized business.

As a matter of fact, China never really had a government in our sense of the word. There was a monarchy that was theoretically absolute but in actual practice a ceremonial decoration and a symbol of, rather than the machinery for, government. In China the family is the social unit rather than the individual, and the father is the head of the family, responsible for it to the community. Just so the Emperor was the head of the Chinese family—the race—and responsible to the Heavenly Power for it.

There were mandarins—as high Chinese officials are called—who collected taxes sufficient for the maintenance of the court and the government offices. Theoretically they exercised other functions, but in practice they were little more than tax collectors. The actual affairs of the country, the administration of the relations between men in their various capacities, were always in the hands of the guilds and not in those of the officials. In our sense of the word government, the guilds were the government.

The Guild's Supreme Power

THE GUILDS were the forerunner of the modern chamber of commerce, but they were also much more. Every form of business, every industry and every craft had its guild. In practice it was impossible for any man to engage in any occupation without membership in a guild, which included manufacturer, merchant and workman, all on the same level. It was the executive, legislative and judiciary for each industry.

The guild set the standards of measurement, sometimes even the grades of goods to be made. It regulated wages and hours of work for the whole industry. Forms of business practice and rules of trading were established by it, something after the manner of the stock exchanges here. It fixed prices. In some cases, as with the bankers, the guild board met daily to fix exchange; the cotton and silk guilds fixed their prices weekly. Perhaps most important, the guild acted as a credit agency, holding the right to examine the books and check the accounts of its members.

There was a regular court, consisting of officials, which heard disputes and conducted arbitrations. Its findings were always final, for the power of the whole industry was behind it. In cases of disputes between two different guilds or between members of different guilds, a neutral guild was usually called in as arbitrator. While there have always been official law courts in China as in other countries, the administration of justice by them was so unsatisfactory, so costly and usually so corrupt that business men almost universally preferred to resort to their own guild tribunals.

For infractions of the guild rules, penalties were laid on members as prescribed by a fixed code, varying from small fines to expulsion. The latter meant divorce from the community, for once out of the guild no man could

expect to do business or find work. This seldom happened, however, the guild regulations, being jointly adopted, were unanimously obeyed. The word of the guild was law, therefore, as powerful and as operative as government law of any other land.

In short, the guilds regulated the business life of the community, and as that includes nearly all phases of human activity, except the purely personal relationships which are determined within the family, the guilds were in fact the government. Revolutions and civil wars succeeded one another, alien conquerors came and went, dynasties rose and fell, but the business of production and distribution, whereby men live, went on un-



COURTESY OF DEPARTMENT OF COMMERCE

Canned goods and packages bearing the familiar words Quaker Oats, Kellogg Corn Flakes and Heinz Pickles are to be seen on the shelves of this store in Canton. The Chinese proprietor, multiplied by several millions, represents the only stable factor in the chaotic life of the Republic—organized business

checked and the life of the country flowed on in unbroken course, because the guilds went on unshaken and unchanged. Only when complete disaster, through war, revolution or natural catastrophe like flood or famine, afflicted the country did the guild organization break down, and then everything ceased.

It is so now. The guilds have had a modern superstructure since the entrance of western ideas and western business. The guilds still function as of old but the chambers of commerce have been formed to cross guild lines. Modern business is more complicated and demands the inter-communication of various branches of commerce and production. The greater scale on which business is done and the increasing part played in every country's life by foreign trade require services which only the joint action of all business can perform.

The chambers of commerce first sprang into prominence after the establishment of the Chinese Republic, that other great conquest of the western idea in China. With its

wholesale adoption of western practices, American practices in particular, the republic seized upon the chamber of commerce as an instrument of reconstruction and gave it official sanction. Provision was made in the first republican constitution for the organization of chambers in all cities throughout the country. In China, therefore, the chamber of commerce has a semi-official status.

The chamber of commerce consists of representatives of guilds and also the representatives of corporations and independent commercial enterprises such as have sprung up since business took on modern forms of organization in China. It has the same sort of functions as those exercised by the guild, with the additional power of having the whole business community united solidly behind it. It is the medium for the relations of government and business. It is authorized to suggest new laws governing commerce and must be consulted when the government has new plans affecting business life.

The most important duties of the chamber of commerce in China turn on the control of credit and the holding of business courts. It has the right to examine the accounts of all business firms and give opinions on their credit rating. Without the approval of the chamber, no firm can get credit. If a firm becomes unable to pay its debts, the chamber so notifies the procurator or district attorney, who then authorizes the chamber to wind up the delinquent firm's affairs. The chamber also is supposed to watch for wildcat schemes and to prevent inflation. With these specific powers and the general power to frame rules of business, the chamber of commerce is so strong that, practically speaking, it is impossible for any firm to exist without being a member, and there are hardly any that are not.

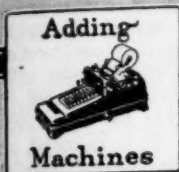
The chamber of commerce courts are like those of the guilds, though their practice is standardized throughout the country. There are informal arbitrations and formal hearings, with witnesses, evidence and decisions with the whole force of the community's business behind them. The judges are chosen from the directors by ballot.

Business Survives Rebellion

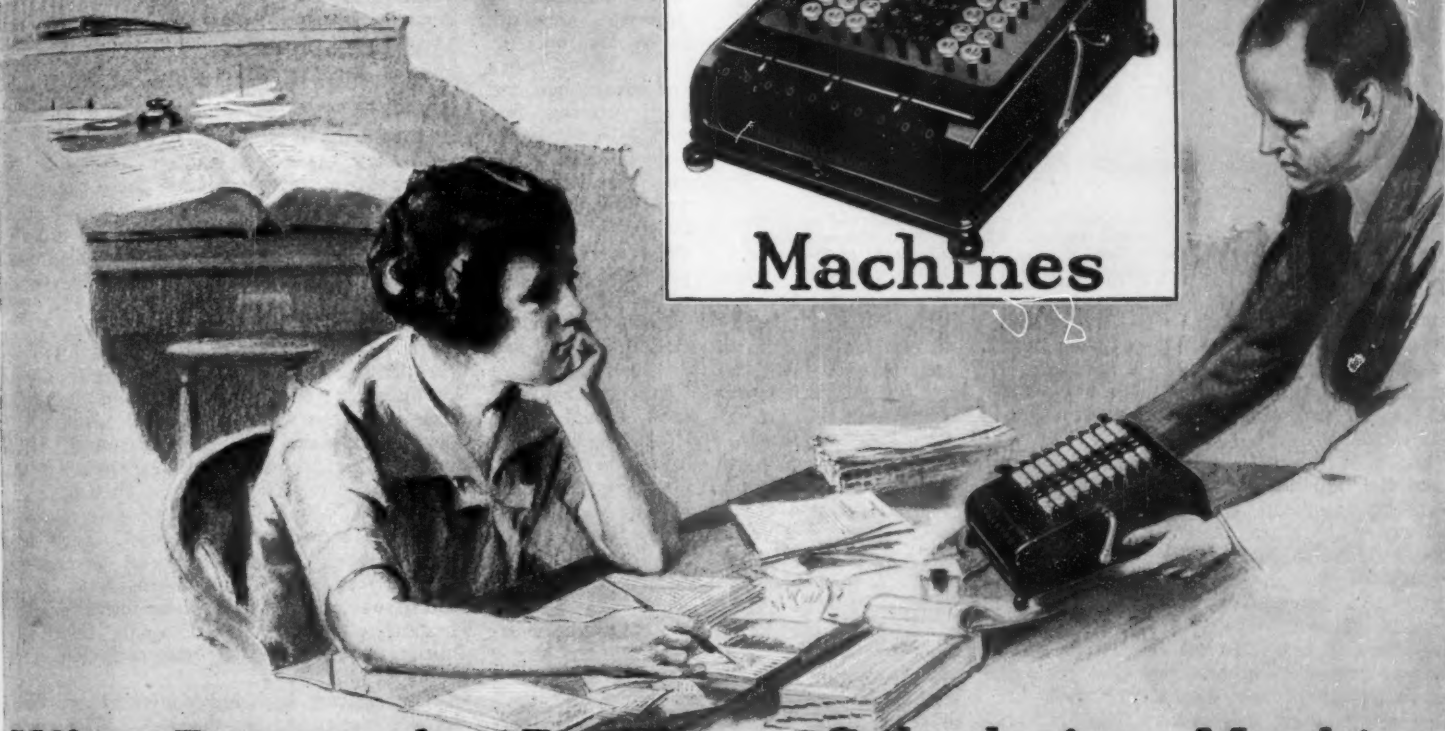
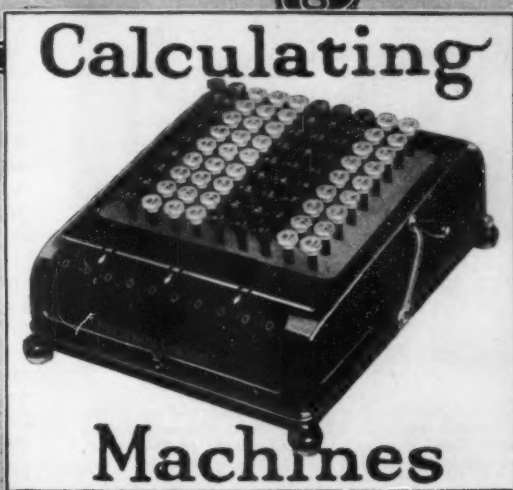
THERE are still revolutions and civil wars in China and, as every newspaper reader knows, confusion becomes worse and worse with the passing of every year. But business continues and on the whole the bulk of the population enjoys a normal life. Business is still organized on a solid foundation, independent of the political structure. Political upheavals, therefore, are not fatal, as they would be elsewhere. With the part played by the guilds as their precedent, the chambers of commerce are going further, however. As the guilds were the government of China under the old conditions, so the chambers of commerce give promise of being the government of China under the new conditions created by the modernizing of the country. But there are indications they will be more open and active in control.

What can be called an industrial consciousness has been developing in China the last few years. Men engaged in business have become disgusted with the political miasma all about them. They have come to realize that politics is the curse of the country and that they are the direct victims. Official cor-

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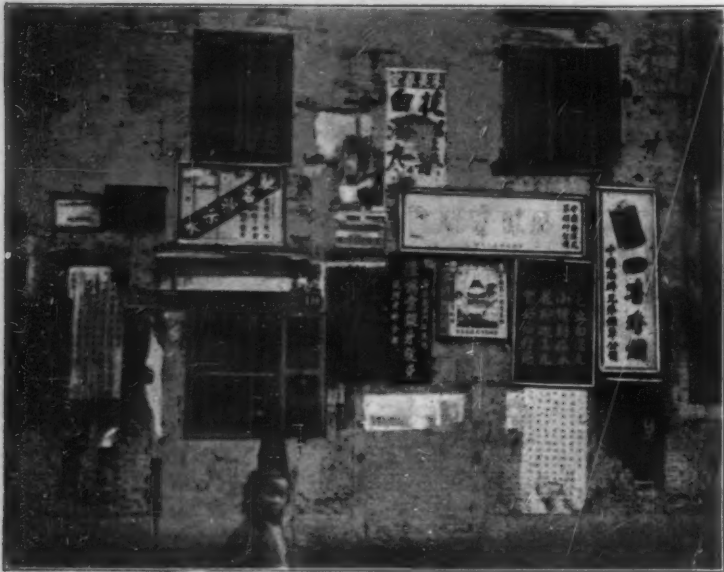
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When writing to BURROUGHS ADDING MACHINE COMPANY please mention the Nation's Business



COURTESY OF DEPARTMENT OF COMMERCE

Chinese manufacturers and merchants believe in outdoor advertising and cover the walls of buildings with brilliantly colored posters. Whether these shown here tell of the man who'd "walk a mile for a Camel" or extol the excellence of Spearmint, we do not know. Our Chinese interpreter is away on his summer vacation.

ruption and incompetency, with the resultant intrigue and internal struggles, have hung about the neck of China like an Old Man of the Sea. Organized business, in the work of breaking his grip, is moving into a position of leadership.

The most dramatic instance came in 1919 when the Japanese victory at Paris, giving Shantung to Japan, brought to a head the indignation of China against the governing clique which had been selling itself and the country to Japan. The students started a strike. The government put it down. The business elements took up the challenge. They, too, struck. In all the larger cities business ceased. Factories stopped running, and found others, even the workshops in the households, joining. Stores kept their shutters up. No work was done. The current of the nation's life was deliberately choked. The government was frightened, and soon surrendered.

Business Checkmates Japan

THAT dramatic incident showed the chambers of commerce and the guilds what they could do. It also showed the government what power organized business wielded. There were no more secret dickerings with Japan after that. No more loans were made, the proceeds of which went into the pockets of crooked ministers while the country's natural resources were turned over to Japanese exploitation. Every time there were rumors of another deal, organized business got restless and let a few hints leak out of what it would do. For two years the Japanese Government tried to make a private deal with the government for the disposition of Shantung. The government was willing but did not dare. There would have been another general strike—not alone of labor, but of labor, capital and the great middle class.

When the Washington Conference was called, the Chinese chambers of commerce had unofficial delegates there to see that China's interests were properly guarded by the government's delegates. When the Japanese went behind the backs of the chambers' delegates and had practically induced the government in Peking to instruct its representatives to yield on Shantung,

the envoys of the chambers of commerce in Washington sent urgent cables to the chambers' main headquarters in Shanghai. The cables were broadcast over the whole country. There was an immediate national outcry. The government in Peking was forced to resign at once. There was no surrender to Japanese demands in Washington.

In 1920, when the government had been playing fast and loose with the revenues and at the close of the fiscal year found itself in desperate straits, the ruling powers proposed to float more bonds of an issue which had already depreciated to a sixth of par because the security behind it had been wasted. Another flotation would have reduced to nil the value of those securities already out. The organization of bankers did some quick conference by telegraph and then the most powerful group, those in Shanghai, sent a blunt telegram to Peking informing the government that if such bonds were issued they would be boycotted. The banks would not handle them, would not accept them as payment or as security for loans. The bonds were not issued.

This was followed up by formal announcement by the bankers that the ruinous policy of indiscriminate loans, the proceeds of which were either grafted or wasted, would have to cease. This ultimatum also called a halt on the policy of making right and left foreign loans that only resulted in foreclosures on some of China's most valuable resources. The Chinese bankers announced their willingness to lend money to the government, provided they could supervise the expenditure of the funds. Just then the railways, which are government-owned, needed money badly. The government wanted loans. It obtained

from the Chinese bankers \$6,000,000 silver (\$3,000,000 in American money at nominal exchange), but the bankers named a committee to superintend the buying of rolling stock and appointed inspectors to see that it was kept in good condition.

The public opinion which is slowly building up in China a demand for better government and acting as a check against the old official profligacy has as its nucleus the guilds and the chambers of commerce. The old corrupt mandarin government still holds the actual reins of government and its loosening grip is responsible for the ugly conditions now prevailing. It is doomed and will pass entirely. For the present and the immediate future there will be a sort of interregnum, but to fill the gap there is already this nucleus of organized business.

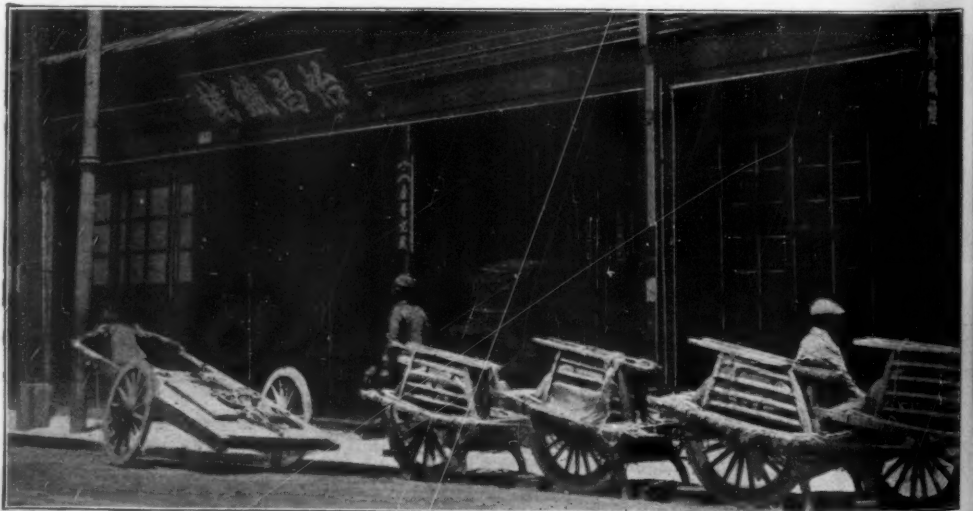
Ready to Play Political Role

IN THE past the producing elements have fought shy of politics and government. They paid their taxes and wanted only to be let alone. Now they have been made cognizant, by ugly experience and observation of other countries, that without stability and orderly, efficient, honest government they cannot protect properly their own interests. They want to do something about it. For the first time they are ready to play a public role.

This class, organized business, is fitted by the prestige of a long history, the traditions of integrity and independence and the qualification of experience, to take control. The last qualification is most important. The guilds have had centuries of experience in the handling of practical affairs. They have exercised the prime functions of government—executive, legislative and judicial. They have always been a machinery of government *ex post facto*. It is only necessary to extend their scope and recognize them formally. The first they are already doing by their own initiative, compelled by the conditions that confront them.

The second is being conferred on them by the logic of the situation. They have kept the country going anyway for centuries, though unofficially. Why not have them to do it officially?

There is every reason to believe that they will be more successful than the incapable and decadent professional official class. Their coming to the front has been one of the few clear gains that have been made by China in the last discouraging decade of its history.



COURTESY OF DEPARTMENT OF COMMERCE

E. Cheong—and his name is above the door—is an iron merchant on Soochow Road, Shanghai. He uses modern foundry methods and belongs to the chamber of commerce, but still delivers his pigs in primitive, coolie-powered, two-wheeled carts that his illustrious ancestors used for generations before him.



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*Because GMC Sturdiness, Reliability
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Every truck in the service of Froznpure Ice Cream Company of Louisville is a GMC because:

There is extra strength designed and built into every GMC part.

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The economical sized GMC engine develops maximum pulling power and maximum speed working through the famous GMC two-range transmission, using the minimum amount of gasoline and oil.

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General Motors Trucks



When writing to GENERAL MOTORS TRUCK COMPANY please mention the Nation's Business

I Do Business with Uncle Sam

And Find the Old Gentleman (No Offense Intended) Just Isn't Geared Up To Do an Efficiency Job

By I. K. RUSSELL

I USED to believe in government ownership. I hadn't a doubt about its being the cure for almost everything that afflicted us. I don't any more. I've had two experiences.

The first was in July, 1916, when some 25,000 New York boys leaped out of some military trains on the Mexican border and halted in a big cactus plain. Nearby was the town of McAllen, six miles north of the Rio Grande and thirty miles or so inland from Brownsville on the Gulf.

McAllen had a post office. That's the story. One aged man and his aged wife ran it for 500 people. All at once its business jumped to the job of clearing mail for 25,000. It was a sudden emergency.

Similarly one little telegraph wire led into that town, and it moved over-night from the sending of an occasional ten-word message to the business of 25,000 New York boys, many of whom were brokers just taken from their offices. The press telegrams alone amounted to 25,000 words a night.

Red Tape Versus Efficiency

WELL, both the telegraph operator and post office screamed for help, but note the different replies.

"Under the rules," replied Mr. Burleson, postmaster, in Washington, "we can do nothing for you. Keep on doing your advanced business for six months, then we can rerate you and give you the facilities of the class you then deserve to enter. Hire some labor down there if you lack hands."

That's the chief fault of government ownership. It loses its "fluidity," and can't respond to emergencies.

Now with the telegraph company, somebody would have caught hell if the business was not obtained. They were not interested in castes, rules, regulations, ceremonies. They wanted business. So a general agent from Dallas was in McAllen by the first train. He found there were not any men there to hire—everybody had fled in a bandit scare. So he imported a lot from Dallas—twelve high-speed operators.

Next he found there weren't any restaurants for them to eat at, no houses to rent, and no hotel accommodations. So he went to his problem and solved it on the terms he found. He became Communist, Socialist, what, not for the time being. He drove straight for results. He wired Dallas for a full cooking and sleeping and dining service for twenty-five men—everything from stew pots to plates and knives and forks. He hired a warehouse—set it up as a club house, with cots, a

cook room, an eating room—a temporary home.

And down came his men and their outfit. The wire squad arrived with them stringing extra wires all the way from San Antonio—800 miles. There wasn't enough "juice" in the lines to carry the extra burden of messages, so down came an electric motor also.

The only building available for Western Union headquarters was a morgue—so he rented the front half of that. We reporters used to sit there, with a coffin box up-ended and plugged full of nails for a hat rack. And while we typed out our news messages—on machines he had shipped down for our use—dead men would often be carried in past our desks, and behind the curtain where they were embalmed.

The result was that letters as a means of communication had to be abandoned. The telegraph took the place of the post office for all our communications. The Western Union system, cut instantaneously to fit, worked. But all we got out of appeals to Washington in the post office situation was headache answers. Mail forwarded to me was sent back at last to the sender. All my wife's letters got back to her. Sorting the mail was a hopeless task for the old man and his wife. They didn't even tackle it. They couldn't. Soldier squads finally took hold and seized the military mail, and some regiment chaplains became mail clerks to save their regimental situations, and so the army got its letters. But we civilians—we telegraphed and asked for answers by wire. That is only

one incident, but true to the whole system as I learned by seeing it duplicated in my war service thousands of times. I wish I might bore you with the story of a trip I made for the Government from New York to Boston—a little irregularly—off the beaten track of routine manners. I was nine months getting back the \$16 in railroad fare, and in that nine months, correspondence passed at least twenty times, and twenty different rulings were made as to what was legally and rightfully due—and the last letter came back to the identical terms of my original bill, then paid after all this vexatious and intermeddled delay. There were even long opinions from legal lights that cost maybe ten times the \$16 in the time spent in digging up their opinions.

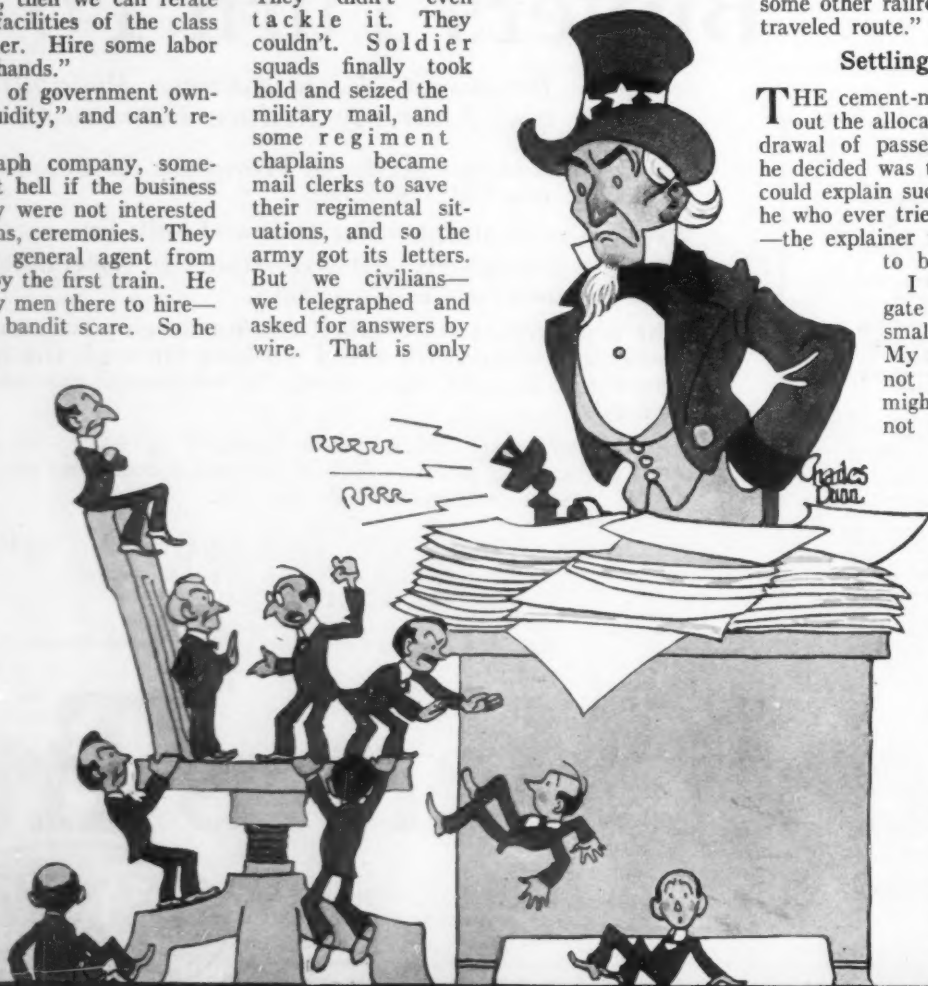
There was another instance, of which hundreds of government agents complained bitterly to me and which I myself encountered and was penalized for. It came when the war emergency forces of the Government, on taking control of the railroads, allocated certain lines to freight only, and diverted passenger traffic to other lines. A man in Indianapolis, for example, got orders by wire to be in Boston the next Monday for a conference. He rushed thither on the lines open to passenger traffic. When his expense voucher went in, it was cut \$28 and that sum put against the agent's private purse—on the claim that some other railroad was "the shortest usually traveled route."

Settling a Grenade Strike

THE cement-minded clerk had never found out the allocations to freight and the withdrawal of passenger service over the route he decided was the shortest. You think you could explain such a case. Well damned was he who ever tried it. That was lese majesté—the explainer was a "kicker"—and so was to be "done in" at every turn.

I was ordered once to investigate a rifle grenade strike in a small town in the middle-west. My orders were ironclad. I was not to go in the works—that might start more trouble. I was not to see the workers—they might invent grievances. I was to see on neutral territory a committee of the strikers, and listen only to their already formulated grievances. Then I was to order them back to work, and loyally to await a decision.

Now remember the best go-getters in the world are probably the big newspapers. Let any man inside a newspaper office—cashier, auditor, executive—try to give orders other than "go get the story," and that intermeddling executive is fired right off. The reporter, facing this situation in the field, cuts his job for re-





Your Sales Problem this Year turns on Economical Operation.

When Goods are made 100% Quality and at the *right price*, then they are more than half sold.

The rest is only a matter of contact, of proper presentation.

Squeeze out the Excess due to Waste.

American Business has the finest mechanical equipment in the world, but we have also the greatest scrap-heaps in the world.

Waste per person per day is entirely out of proportion to our mechanical perfection.

Payrolls must buy full Human Energy, Power and Effort.

You must have Teamwork, Harmony, Constructive Thinking to make your 1924 Program practical.

We have a plan that will help you in doing just that. May we present it to you?

18,000 Concerns of every size, in every line of Business, and in every section of the country are increasing their Results by this method.

Here are a few of them:

A. P. W. Paper Company.
The Aeolian Company.
Amer. Gas & Elec. Co.
Amer. Kardex Co.
Bethlehem Silk Co.
Borden Farm Products Co.
Brown Shoe Co.
Cal. & Hawaiian Sugar Ref. Co.
Chevrolet Motor Co.
Cleveland-Akron Bag Co.
Clicquot Club Co.
The Curtis Sash & Door Co.
Thos. Cusack Co.
Edson Elec. Illum. Co., Boston.
Empire Gas & Fuel Co.
Endicott-Johnson Corp.
Fisher Body Ohio Co.
Gimbel Bros.
Hamilton-Brown Shoe Co.
Harrison Radiator Corp.
The Hoosier Mfg. Co.
Hotel Astor.
Hotel McAlpin.
Hotel Sinton.
Iten Biscuit Company.
Kimberly-Clark Co.
R. H. Macy & Co.
Mass. Leather Mfrs. Assn.
The Maytag Company.
National Biscuit Co.
National Carbon Co., Inc.
Natl. Lamp Works of G. E. Co.
National Surety Co.
Oakland Motor Car Co.
Ontario Biscuit Co.
Packard Motor Co.
Pierce-Arrow Motor Car Co.
Postum Cereal Co., Inc.
Stacy Adams Co.
The Texas Company.
Union Carbide Co.
Artemus Ward Co.
Waumsutta Mills.
Wayne Tank & Pump Co.
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MATHER AND COMPANY

General Offices
155-165 E. Superior St.
CHICAGO



Eastern Sales Office
250 W. 57th St.
NEW YORK CITY

sults after he sees what he must do.

Well, I got to the grenade factory with all those ironclad orders. I found the strikers were not men but girls, that the trouble was not economic but moral. A foreman had blown up in the midst of so much femininity, and had got to mauling and kissing his employes, and making dates. Those who responded got checked up for high production and high pay. Those who rebuffed him got broken tools so they could make nothing.

The aim of my job and the Government's interest was to get rifle grenades. How would it seem, knowing those conditions, to order the girls back to work under that foreman? I saw a way to get them back—get the goods in affidavit form, confront the foreman with them, force him out—and in the girls would march to their benches. So I violated rule 1, taking as my model Fred Funston who used to fight in violation of all the army rules, in the Philippines when I was under

him, and saw how different soldiering was under him from what it was under "red tape" generals like Otis.

I saw the workers in a body. I took down the girls' statements and had them sworn to. I violated rule 2. I went in the plant. I violated rule 3. I visited the management, whereas I was to confine all inquiry to workers' committees only. I violated rule 4. I showed the management what the case was. The foreman hung his head in shame, put on his hat, said "I quit" and walked out. The grateful plant owner came with me to the girls to welcome them back. And the strike was over—and the fundamental purpose for which I was in the field had been accomplished. More rifle grenades were starting into production.

In any private concern I suppose I would have been thanked, but not in the Government.

My report came in, and if I had thrown a bomb it could not have started more chatter

among the red tapers. Every one that handled it pinned to it a little alarm bell—here was a government agent to squelch, to suppress—one who "took our orders lightly." Nobody could see that I had accomplished the one purpose of war control—all could see that their dignity as order issuers was offended and set at naught. Is it any wonder, then, that government processes fossilize and harden down to a fixed routine?

Well, these things made me think. I used to belabor the world in favor of government ownership and control, but my final conclusion after experience on the inside is that the fatal trouble is not economic but biological. Men not held down by a sense of responsibility that goes with power, do so love to poke out tin chests and listen "with lead ears." In private business, more and more such people are "flagged." But in a government bureau—who shall tame them in favor of action and service?

Our Plan to Help Workers Save

THE MAN who signs the pay checks and the fellow with the dinner pail aren't so far out of step these days as many radicals would have us believe, nor is the helping hand in industry always a patronizing one.

Not many present-day employers, in fact, take so cold a view of their relations with their workmen as to say, in effect:

"I'm buying labor; they're selling it. When they've delivered the goods and I've handed over the money, our relations are ended. What they do beyond that is none of my business."

Such as there are, are in the minority and represent one extreme. At the other end of the gamut is the employer who carries on welfare work to a point where it is not only costly but offensive to the worker because of its paternalism. Incidentally, it is very probable that the ranks of the first group are occasionally recruited from the ranks of the latter.

Between these extremes, however, is the great and encouraging mean, made up of those employers eager to do all they can for the good of their workers without overdoing it. To them are afforded splendid opportunities for improving working and social conditions, not the least of which is the encouragement of thrift through the sponsorship of payroll savings plans.

There is no fixed rule in these savings plans. What works well in one plant may not be as successful in another. In the Crompton & Knowles Loom Works we have developed one of the simplest forms, that of withholding from pay envelopes sums agreed on and depositing the amounts in local banks. The plan has been in effect for approximately five years and has stood the test in periods of business inflation and deflation. In a plant

By **JOHN F. TINSLEY**

*Vice-President and General Manager,
Crompton & Knowles Loom Works*

of from 2,500 to 3,000 employes, we have had from 60 to 80 per cent of our entire force saving regularly. At frequent intervals campaigns are carried on in the works, and the employes are encouraged to sign cards authorizing the paymaster to deduct each pay day a stipulated amount from the pay check. The banks send representatives to the works for signing up the men who are interested.

With the first deposit, a pass book in the employe's name is made out and remains in the hands of the paymaster, who sees to making the weekly deposit. Each week there goes into the pay envelope a slip which reads like this:

There has been deducted from your wages today for deposit in the Blank Saving Bank the sum of..... \$
This makes the total on deposit in your favor..... \$

To increase or decrease the amount of weekly deposit, an employe need only tell his

foreman, who reports to the paymaster, and to withdraw funds, the employe signs an order, which is cashed by the paymaster, who in turn makes the withdrawal from the bank.

An employe who leaves us does not under our plan necessarily close out his account with the bank. Instead of getting his savings in cash, he gets the pass book with the expression of hope that he'll continue the savings habit.

There are certain features of our plan which seem to appeal especially to work people. One is its simplicity. The employe's money is deducted and deposited each week before he gets his weekly pay envelope. There is a minimum of routine. The same simplicity applies to withdrawals and to increases or decreases in the amounts deposited. The employe need not go to the bank to accomplish any of these things.

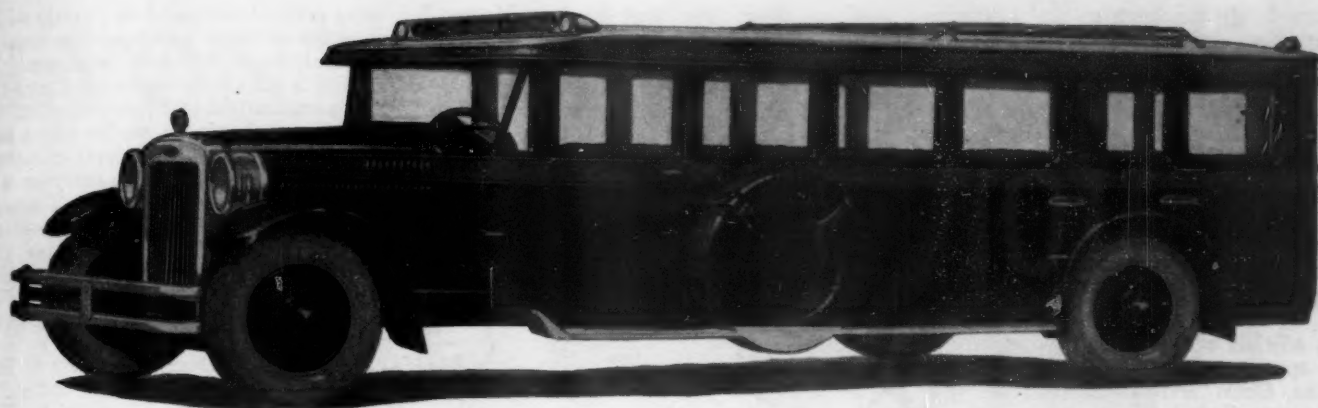
We have favored the deposit of the employes' savings in the mutual savings banks of the city because we have felt that in this way we got the maximum of interest plus the maximum of safety. Massachusetts has an excellent and well-administered savings bank law, and the banks in which our payroll savings are deposited have paid 4½ per cent for the past five years, which seems satisfactory to the men.

Under our plan a dollar is always a dollar. It can be withdrawn promptly and is not subject to depreciation, a weak spot, we have felt, in the savings plans which provide for the sale of company's securities to workers on a deferred-payment plan, either at or below the market price.

We have found a very wide acceptance of the plan. A very large number of workers, both men and women, are only waiting for a little encouragement to start savings. They need just the added impetus of a plan that they can easily accept. No small part of the workers,



A typical thrift committee of the Crompton & Knowles plant, recruited from shop and office to stimulate interest in systematic saving among non-subscribers to the plan



INTERNATIONAL

Six-Cylinder Motor Coaches

AN outstanding development in passenger transportation is presented in the new line of International 6-cylinder coaches. A product of special coach design and construction throughout that embodies those important features which sharply distinguish it from the adapted passenger car chassis or redesigned motor truck. Coaches are available in four basic chassis designs (ranging in capacity from 12 to 30 passengers) to meet accurately the varying requirements in any service.

International 6-cylinder coaches appeal to the business sense of the passenger transportation operator. They combine performance-ability with low-cost operation. They meet the needs of the traveling public in speed, comfort and convenience. They are the product of a large and efficient manufacturing organization which assures engineering skill and transportation experience combined with unusual quality standards at less than usual costs.

Heavy-duty 6-cylinder engines provide a dependable source of power for all emergencies, with utmost fuel economy.

Four-speed transmission with wide ground teeth assures smooth and quiet operation at all speeds.

Air brakes on all four wheels permit complete control under the varying speeds that passenger transportation demands.

Long flexible springs with auxiliary side springs, front and rear, assure riding comfort under varying load and road conditions.

A low-hung frame of unusual construction promotes safety and eliminates side-sway.

Interior finish and appointments combine comfort, convenience and luxury—seat cushions and backs are the last word in modern coach construction.

International coaches are of practical, sturdy construction—built for years of service and in sizes to meet every passenger transportation need. Write for a copy of the International Motor Coach catalog and give our engineers an opportunity to analyze your particular requirements.

INTERNATIONAL HARVESTER COMPANY

606 So. Michigan Ave.

OF AMERICA
(Incorporated)

Chicago, Ill.

I feel, are held back by a natural hesitancy of entering an impressive-looking bank for the purpose of depositing a dollar or two.

Some of the workers save for a definite object—to buy an automobile or to take a more pretentious vacation—but I am inclined to think that most of them save for "the rainy day," for home-buying and old age. It would be interesting to know how many who set out to save for the impending holiday or luxury have put that off, when once the money was accumulated, and decided to hold on a while longer.

Bank officials tell me that saving for a specific object, as in the "Christmas Clubs" and "Vacation Clubs," teaches a very definite thrift lesson, that about 25 per cent of the Christmas money is left as a permanent saving.

The appeal of the payroll savings project is wide. It goes better, for obvious reasons, with the better class of workmen, those of experience and with long service records. The "scater" doesn't care for it at all. "It ties up his money," I suppose, is the way he feels.

A notable fact is that the foreign-born take to it slowly, but once they understand it and appreciate it, they stick to it. In proof of this, the percentage of aliens saving is higher than the percentage of native-born.

I am convinced that our plan does develop a "savings habit." Once men get well settled at savings, they don't give up easily. There are now in our employ 550 of those who subscribed to the plan when we started it five years ago. Of these, 431, or about 80 per cent, are still in it.

There's a strong community interest in all this. Once a man has got together his first \$1,000, or even his first \$500, he gets a new viewpoint of things, one that works for better citizenship. He's not readily inclined to part with his savings in foolish ventures or short-lived pleasures.

Employees, of course, do withdraw their savings after they've accumulated certain amounts, but many, perhaps most, of these withdrawals, are for first-rate purposes. Very commonly, when a man has saved from \$200 to \$1,000, he takes out the money to make a first payment on a home or to pay off a mortgage. Sometimes he reinvests or simply deposits his money in another bank, not caring to let his employer know how much he has saved. Withdrawals of this sort are not an argument against, but rather in favor of our savings plan. Of the withdrawals in the last two years, fifty or more have been of sums from \$200 to \$1,000 each for purposes of reinvestment. We know that a good part of this has gone toward home-buying or for paying off mortgages; a smaller share for the purchase of stocks and bonds.

Significant of the resulting improvement in business methods is the fact that we have no cases of legal attachments against the men in our savings clubs. Men with savings accounts do little or no buying through credit houses.

While methods of stimulating thrift other than that worked out by Crompton & Knowles have been tried, I am inclined to think that ours will fit most industrial plants. It has been adopted by the Savings Bank Division of the American Bankers' Association as the

basis of their "Pay Roll Savings Method," while the "Save-at-the-Shop" plan, which the Union Trust Company, of Cleveland, put into effect, is similar to ours.

One thing, I think, is certain: No plan can succeed unless the employer is back of it and back of it in earnest. One student of savings plans expressed the situation forcibly when he said, "Without solicitation—constant, per-

being particularly useful in a group of foreign-speaking workers because they can talk to their fellows in their own languages. Written English is not always understood, and the foreman's explanation in English may fail to carry the message, but in the worker's own language, if clearly presented, it is most effective.

We have found it well to carry on a savings campaign every few months. These can be supplemented by a man-to-man campaign. When a man who has been with the company some time is not a saver, we try, tactfully, to find out why; and often we are able to clear up a misunderstanding.

The severest test of our Pay Roll Savings Plan came, of course, in the sharp depression of late 1920. These are the outstanding facts:

At no time did the amount of withdrawals equal the amount of deposits.

The men who left the company's employ through resignation or the cutting down of forces withdrew 80 per cent of their deposits. Those who stayed with the company withdrew 35.5 per cent.

The percentage of the force that saved varied but little.

The amount saved per man varied very little, even though many of them were working reduced hours.

We have sought from time to time to learn how the savings plan is received by the workers, and I know no better testimony than to quote from some comments we have heard:

I have \$253 saved now, and that is more money than I ever had. All this by having \$1 per week deducted from my pay, which I never miss.

The savings plan helped me to meet the additional expense when my wife was sick.

When my boy was in the hospital last fall and an operation was necessary to save his life, the money saved, thanks to savings plans, was used to defray expense.

The savings plan helps me to save, whereas otherwise I would be too modest to go to the bank every Saturday to deposit \$1.

The savings plan helped me to realize my dream of owning my own home.

I use the plan to clothe my family annually.

My mother has not been well for some time; out of the savings in the plan I bought a Ford car, and now my mother feels better because I am able to take her out into the country where there is plenty of fresh air.

I am using the money saved in the plan to put my son through school.

The mental security that one derives in having a little money in the bank is surely stimulating; the plan is fully appreciated.

I think that the savings plan is the greatest thing that could be given in any industry, for it teaches the workman the most essential thing to the country today—thrift.

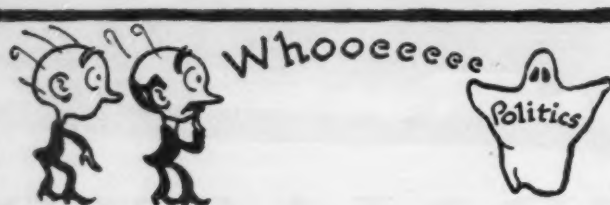
The savings plan is a good thing, because it simplifies the matter of saving.

If it were not for the savings plan.

I don't know what I would have done when my wife was taken to the hospital.

I have used the plan since its adoption, and just recently purchased a piano for my home. The money deducted was never really missed by me.

One more point, and that from the employers' side: Is it expensive? Not in any proportion to the good it does. In our works, we handle from 1,800 to 2,100 active accounts, holding the pass books for safe keeping. One clerk has been able to do this, and the total cost, including printing, has been not over \$1 per year per account.



The Ghost That Terrifies

Who sprags the wheels of commerce, and why, I'd like to know?

Who orders ev'ry business truck to throttle down in low?

Where is the mighty traffic cop, a wave of whose right hand

Can check the forward progress of all commerce in this land?

Who stops the building enterprise that spreads from sea to sea?

Who draws the fires and punctures tires in ev'ry industry?

What foeman is it business dreads? Where is the awesome band?

What fierce destructive monster leads the charge with courage bland?

The nation's business army now checks its firm advance,

Nor sends out sterling champions to fight with sword and lance.

Distressing rumors reach the ear: "Out yonder in that wood

Ten thousand business Huns are camped—they mean our servitude."

Send out the scouts, surround the wood, you'll find the mighty host

The raucous blah of politics—one small synthetic ghost.

—E. D. WHITESIDE.

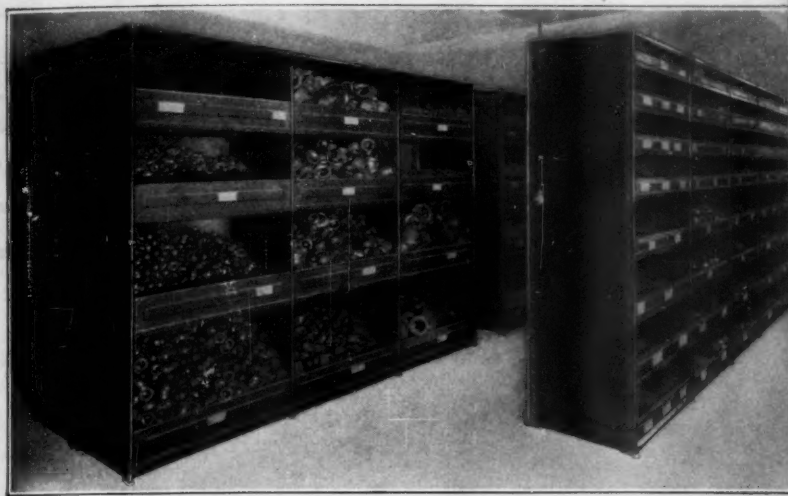


sistent, inoffensive—no savings plan, particularly for the small saver, can be permanently and increasingly successful."

Not only must the employer be back of the plan, but the foremen must be its loyal supporters. Upon them falls a large part of the missionary work. In the Crompton & Knowles Loom Works, meetings of the foremen with the general manager were held at the outset when the whole scheme was outlined and explained. The foremen, once converted, were ready and able to spread the gospel of thrift.

Committees of employees also are helpful,

LYON STEEL SHELVING



Plan your stockroom now to meet future requirements

Whatever your present stockroom requirements are they can be met successfully with Lyon Steel Shelving—from an individual unit to a complete installation—and provision made for future needs.

For Lyon Steel Shelving is standardized, easy to erect, quickly adjustable, strongly built, with many exclusive features of design and construction.

Test a section now

You can start now with a single unit, or only a few units, and add to your installation as needed. Each additional unit will be identical to preceding ones so that your shelving equipment always will be efficient in operation, uniform in appearance.

Many of our large manufacturers have started their steel stockroom equipment in this manner. They have built to a predetermined plan. We will be glad to help you, if you will let us.



FOR EVERY STORAGE NEED

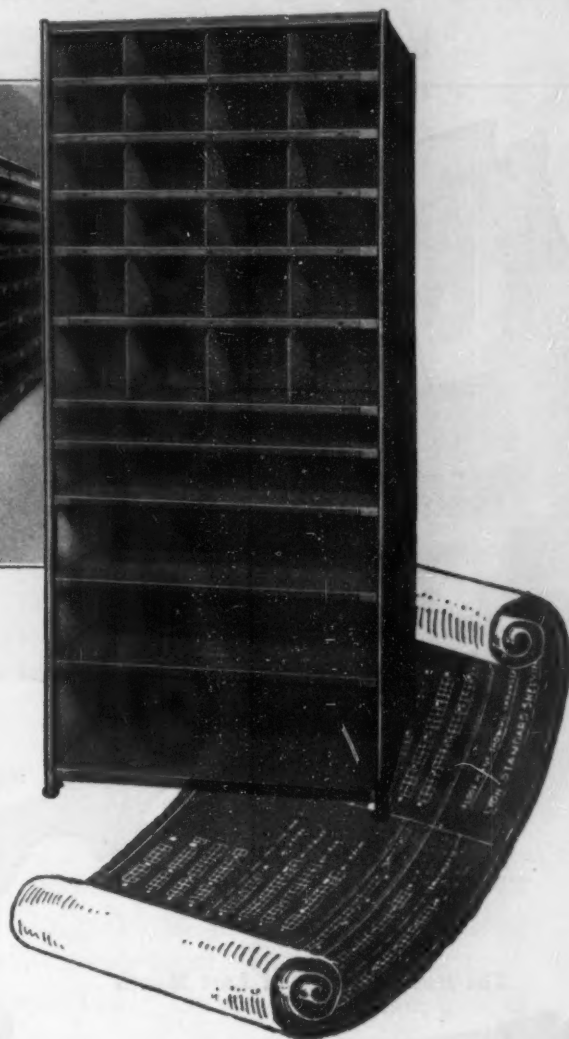
Lyon Metallic Manufacturing Company Aurora / Illinois

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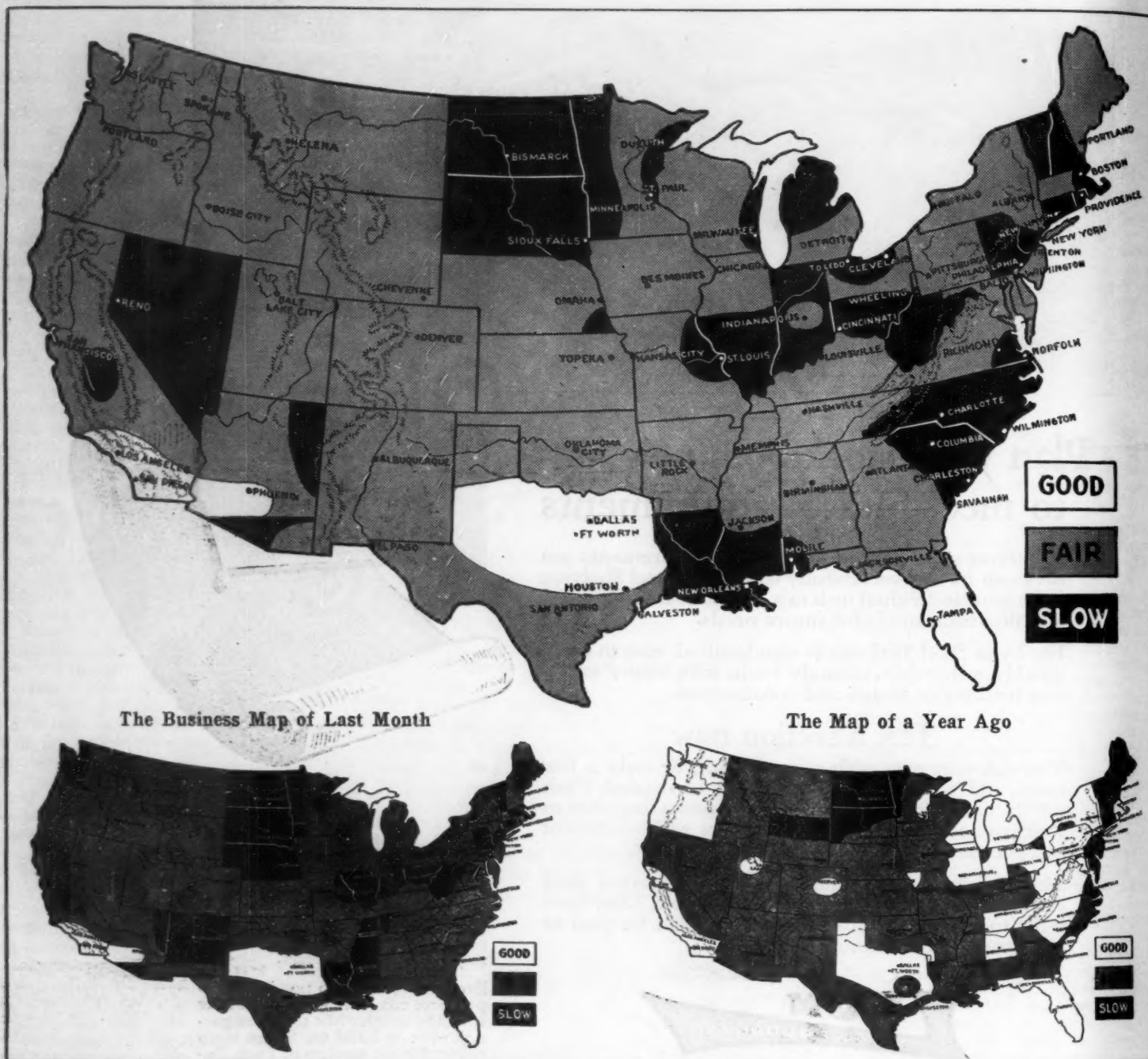
Lyon Engineers will be glad to help you lay out your stockroom. Their recommendations will be submitted to you in blue print form.

Even though you do not intend to purchase complete equipment now it will be worth while to have a general plan to build to. There is no charge for the services of Lyon Engineers. Simply write us direct or the branch nearest you.

The Map of the Nation's Business

By FRANK GREENE

Managing Editor, "Bradstreet's"



MIDSUMMER influences have tended to quiet distributive trade for current requirements while industry has slowed down still further with a resulting increase in unemployment but there have been some rather marked changes for the better in what might be called the indicators for future trade and industry, say for fall or beyond.

Chief of these has undoubtedly been the further progress made in the improvement that was visible quite plainly one and two months ago in the agricultural sections. Coincidentally there has been a rise in the securities markets to the highest levels in two years, some—not all of this—based on the

abundant supply and low rates for money.

Finally there has been evidence of distinct forward progress in rehabilitating Europe, the effects of which, if successful, as it appears probable now, cannot fail to have big consequences for future American trade. Hence the concededly much more cheerful feeling visible in many lines with, in some instances, optimistic predictions made regarding the further future.

In other words the business "scenery" looks considerably better than it did and in the case of the farmers some effort toward capitalizing the aforesaid scenery has been made, the mainspring of this being big sales of wheat at prices far better than were

thought possible three months ago and even still better than were received at this time in 1923. Back of this has been an even bigger rise in corn and hog prices and the apparent disappearance of the fear of anything resembling a burdensome surplus of farm products, present or prospective. So rapid has been the marketing of new wheat and old corn that car loadings have increased and a car shortage looms.

That the improvement manifest in the "scenery" has been substantial enough to be always reflected in some of the measures of trade movement is evident in sharp upturns in some statistical measures. While the returns at hand of retail trade for July, these

"Some of our Posters

are as fine as anything they are making in Europe. Now and then I find a Poster giving me a thrill. It is as great as a great painting to me, greater in a sense because more people see it. It is a thing which talks to many, many people."

—Lorado Taft

European and American artists and advertising men have united in praising the artistic development of the American Poster Advertisement. Skill and beauty in American Poster design have kept pace with the development of Poster Advertising as an economic medium for intensive mass selling.

The artistic poster spread abroad to the eyes of millions of people provides an incentive and stimulus to the greater development of American art. To-day, thousands of school children are learning more about color and design from posters. The poster contest is a popular feature in American Art education.

There is a growing and higher standard of art appreciation in America. Poster Advertising contributes a substantial part.

When you are about town in the next few weeks note the appealing tots drawn by Maude Tousey Fangel for the Colgate poster, or the typical characterizations by Underwood for Palmolive posters. Study the scenic series used for the Poster Advertising of Good Gulf Gasoline. These and many other modern Poster Advertisements carry better art to millions of people.

The prediction of leading American Art thought, that art can be successfully and happily merged with industry, is finding its realization in the Poster Advertising of American manufacturers.

Indeed it is a far cry from the crude letter posters of ten years ago.



Poster Advertising Association

INCORPORATED

The Poster Advertising Association, Incorporated, is an organization composed of members operating in more than twelve thousand cities and towns and maintaining standard poster boards 11 feet high and 25 feet long on leased commercial locations within the corporate limits or built-up sections immediately adjacent.

307 South Green Street

Chicago, Illinois

A RECORD OF TWENTY-FIVE YEARS' SERVICE TO AMERICAN BUSINESS

.. When writing to POSTER ADVERTISING ASSOCIATION please mention the Nation's Business

including mail-order and chain-store sales, reflect a reduction from the June aggregates, they mark a really good gain over July a year ago when it should, of course, be recalled trade was sagging off from the very great activity of the first half of 1923.

Bank clearings, gains in which in recent months have been confined mainly to New York and with these attributed mainly to activity in speculation, showed in July a forward movement outside that city, part of which as in the southwest, must be attributed to early wheat marketing at higher prices.

It has remained, however, for commodity prices as represented by the index numbers to show the most marked and quickest reflection of the better tone in big primary lines, the August 1 index number gaining 3.2 per cent with ten out of thirteen groups of commodities advancing. The biggest quantitative advance shown, it is true, is in textiles, which have reflected a sharp gain in cotton goods, increases in raw wool, and in fact in all other textiles. Of course grains and live stock have made the largest percentages of gain, but provisions, hides, metals, coal and coke, vegetable oils, naval stores and miscellaneous products also gained in July.

Marked Gains for Farm Products

EXAMINATION of the list of advances reveals the fact that the preponderance of gains has been in products of the farm which for some years have not been occupying relatively as favorable a position as have, say, the products of the mill, the factory, the mine or the forest.

From a historical standpoint it is well to note that the genesis of the rise in wheat and corn was in the early prevalence of poor domestic crop reports. Aiding this in the case of wheat were reports of larger than estimated consumption in Europe and some poor crop reports notably from the Mediterranean countries. As the season advanced reports of a big reduction in spring wheat area here and in Canada were noted.

In July unfavorable Canadian weather, lack of rain especially, gave a big boost to prices. In the meantime, however, the American wheat crop prospect has greatly improved, so much so, that a possible decrease of 93,000,000 bushels in the domestic yield has been practically overcome and a crop equal to last year figures out by market statisticians. At one time in late July the price of September wheat had been forced up one-third from the low of early June but this has been scaled down to one-fifth at the time of writing.

The big rise in corn started later but moved faster and the price in early August was 50 per cent above the low of June. Hog prices, aided by official reports of decreased breeding and sympathizing with the corn price rise despite that plant's gain from an unprecedentedly low condition as of July 1, rose 57 per cent in three weeks of July.

The pace of the rise in these three products has been rapid, so fast indeed as to be difficult to hold and to lead to the idea that a good part of the indicated reductions in supply or in yield have been discounted. Hence a later rather sharp decline in wheat, aided by heavy movement in the southwest where many frozen credits are reported to have been thawed out.

The course of industry this summer has gone far to confirm earlier predictions of a slack time in mine, mill and factory operations. Pig iron production in July fell to less than one-half that of July a year ago when the year's peak of production was

reached. It might be noted by the way that pig iron and steel production have not proved as mobile as in some other years, production not dropping as rapidly but certainly getting well down. A turn is predicted for August as some furnaces have resumed recently.

Soft coal production has been at a point 18 per cent below last year and about equal to the low point of the first half of 1919. Automobile output has also sagged noticeably and in August was at the lowest point in over eighteen months. Curtailment has of course continued in cotton goods while furniture manufacturers report orders from three-fifths to three-fourths of normal. Silk manufacturing has improved and the raw material has reacted from the bottom.

Woolen goods manufacturing has been light but buying by manufacturers, mainly of fine wools, has cleaned up the domestic clip pretty well and caused an advance which is taken to mean that mill operation will be active later on. Orders for shoes have helped manufacturers in that line and things are more active than in the spring with a steady effect upon hides and leather.

Building has held up pretty well but lumber prices have shown a good deal of ease through the summer, this despite late reports from producing regions that orders are expanding and that some mills are resuming. What is hailed in some cities as a permanent clipping of brick prices has been noted but cement has been strong with shipments breaking all records. The petroleum industry resembles a great giant which is apparently beyond control, certainly of production, and prices are lower as production keeps up and stocks on hand make new high records.

The taking over of the facilities of a number of the foremost grain-handling firms by a cooperative crop-marketing organization has been variously received. It is worth noting that the arrangement was made while grain prices were soaring and perhaps was stimulated by that fact. A very big elevator capacity has been thus disposed of not without criticism from some farm organization members who have advocated going slower in the locking up of capital in elevator plants, at big markets.

Little Surplus Stock on Hand

THERE are also some outsiders who seem to think that the trend of recent years has been toward storing grain nearer the points of production than was the case some years ago, the idea being that modern practice is cheaper and that the railroads may be depended upon to move the grain quickly to consumption or export points.

While it may be safely claimed that the improvement so far noted has been mainly in sentiment and that a good deal depends upon grain prices holding well above three months ago and a year ago, there are evidences that other big primary lines have caught the cheerful infection and are shaping their affairs in a much more optimistic spirit than was possible a while ago. Certainly sales are being made of dry goods for a longer period ahead than was possible for a year past. Then, too, the shutdown of industry in the past few months has been about as drastic as was ever seen outside of a major panic or depression period. This indicates probably that there are no burdensome stocks of goods in manufacturers' hands. Nor does there seem likely, foreign needs proving larger, to be any big surplus quantity of grain-seeking buyers. The building boom has slowed down but it is by no means dead yet, at least so far as big, not household, construction is concerned, and there are evi-

dences of greater activity along this line in the near future.

It, of course, should not be forgotten that our usual quadrennial political party is close at hand and a lot of people will spend some time "saving the country" but with all the apparent drawbacks in sight the general situation has many points to commend it. It looks like a conservatively optimistic outlook in fact for the latter part of the current year.

Census Bureau in Report On Industrial Operations

THE MANUFACTURING establishments in the United States produced goods in the year 1921 to the value of \$43,653,283,000, an increase of 80 per cent over the value of the products reported for 1914, and a decrease of 30 per cent compared with the value of products reported for 1919, says the Census Bureau in a preliminary summary of manufacturing operations for 1921. The bureau explains the increase in value by a rise in prices.

Only establishments with products valued at \$5,000 or more are included in the census for 1921, a departure from earlier practice which included all establishments with an output valued at \$500 or more for the year. Although establishments which would meet the lesser minimum constitute about 21 per cent of the total number of establishments, they employed only six-tenths of 1 per cent of the total number of wage-earners and their products were valued at only three-tenths of 1 per cent of the total value of products for all establishments.

That the average number of wage-earners reported for 1921 was 6,946,564, or 23 per cent less than the number reported for 1919, is shown by the summary. Only 50,374 more wage-earners were employed in 1921 than in 1914, indicating that accessions to the working forces which raised the total to 9,000,059 in 1919 had yielded place in the movement back to pre-war schedules.

The number of establishments with products valued at more than \$5,000 reporting for 1921 was 196,267; for 1919, 214,383; and for 1914, 177,109. In 1921 wages amounted to \$8,200,324,000, with salaries at \$2,563,118,000. The difference between the total amounts of wages and salaries was greater in 1919—salaries amounted to \$2,880,868,000, and wages reached a total of \$10,461,787,000. The spread was least in 1914, when all salaries stood at \$1,274,438,000, and wages were reported at \$4,067,719,000.

Increases in the costs of materials since the war are suggested by the figures given in the summary, with a sharp reduction indicated in the period between 1919 and 1914. Materials cost \$25,338,617,000 in 1921, \$37,288,731,000 in 1919, and \$14,358,935,000 in 1914. The value of the products shows similar degree of fluctuation—\$43,653,283,000 for 1921, \$62,041,795,000 for 1919, and \$23,987,860,000 for 1914.

The value of the products added by manufacture, determined by subtracting the cost of materials from the total value of the products, increased from \$9,628,925,000 in 1914 to \$18,314,666,000 in 1921, with the peak at \$24,753,064,000 in 1919.

Reports to the bureau present a total of 172,871 proprietors and firm members engaged in manufacturing during 1921, with 250,571 so listed in 1919, and 259,172 under the same classification in 1914. The total number of salaried employes was 1,137,941 in 1921, 1,438,219 in 1919, and 962,533 in 1914.

ONLY
PACKARD
CAN BUILD A
PACKARD



The Used Car Evil—

need be no evil at all,
any more than a used overcoat evil
or a used shoe evil.

All men have to do, is buy good
cars and wear them out.

15 out of 16 Packard Six owners
expect to keep their cars a period
of years,
and get out of them the long and
desirable mileage life that Packard
has built into them.

Packard Six and Packard Eight both furnished in ten body types, open and enclosed. Packard's extremely liberal time-payment plan makes possible the immediate enjoyment of a Packard—purchasing out of income instead of capital

ASK THE MAN WHO OWNS ONE

When writing to THE PACKARD MOTOR CAR COMPANY please mention the Nation's Business

I Write for Really Fine Shirts

By FRED C. KELLY

WITH me a shirt is an incident rather than a big achievement. I'm a plain old thing and have no shirt complex. With the exception of pink plaids, any kind of shirt will do me. Indeed, I'm only a wee bit more fussy about shirts than a friend of mine whom I have more than once known to send for a hotel bellboy and say:

"Boy, here's a dollar; please go out and buy me a shirt, size 15"—willingly leaving the items of color and pattern to the bellboy's caprice or judgment.

Yet I have had much fun out of shirts—not from buying them, or wearing them, but from writing letters about them. My chief correspondent has been a Fifth Avenue dealer who specializes in meeting the wants of those who enjoy looking expensive.

My name happens to be on nine different so-called mailing lists covering all manner of subjects, from worthless stocks to obscene books, and as I write this I'm being urged to affiliate with a Society for the Suppression of Unnecessary Organizations.

From one of these lists my name must have been picked up by the Fifth Avenue haberdasher. At any rate, I received from him a handsomely printed little circular showing close-ups of modern, up-to-date kerchiefs and the most modish offerings in "shirtings," as he called them, "for the well-dressed man."

I looked through the little circular and saw shirts for \$27 upward and handkerchiefs at \$110 a dozen, besides neckties, pajamas, and bathrobes, at correspondingly attractive prices. Whereupon I wrote the haberdasher somewhat as follows:

Dear Sir: I have your catalog, and your shirts are rather pretty, but you do not appear to have anything up to my requirements. The ones priced at \$32.50 each might be all right for lounge use, or even for morning wear, but after consulting with my valets, I find that I have all the cheaper shirts I need. If you had shirts of better quality, I might be interested.

I am constantly needing kerchiefs also, but here again I find the same difficulty. You show nothing better than those at \$110 a dozen, and I feel sure they would not be satisfactory. While they may be good enough considering the low price, yet I think you will agree that they could hardly be suitable for a gentleman to carry with afternoon clothes, and as for evening they would of course be utterly impossible. If you should have kerchiefs of really first-class quality I may want several gross.

In two or three days I got a reply. Yes, they had better grades of shirts and kerchiefs, that by a happy coincidence had just been received. Those in the booklet were not by any means the best their stock afforded. They were prepared to offer me shirts for approximately \$40 each, with a slight additional charge of only \$7.50 for the handsome embroidered monogram on the sleeve. They enclosed samples of the materials in these shirts and would be glad to send me on approval samples of some new designs in kerchiefs at only \$132 a dozen.

In reply to that I sent a brief note, along this line:

I evidently did not make myself clear in my former letter as the thought I tried to convey was that I am already well supplied with the

only
\$84
per dozen



cheaper grades of shirts and kerchiefs, for lounge or morning wear. Both my valet and his helper confirm my belief that I am not now in need of anything but goods of really first-class quality. If you should at any time have anything up to my standards, I should be glad to hear from you. While I appreciate your efforts, it may perhaps be necessary for me to get in touch with one of my agents in Paris.

This brought a prompt response. They had no better shirts or kerchiefs in stock, but were hourly expecting a shipment of choice "shirtings" from abroad and undoubtedly these would meet my requirements. As to kerchiefs they were sending me a sample lot of one hundred of extra quality, which I might have at a flat rate of only \$1,000.

Just imagine a man who never in his life paid more than 25 cents for a handkerchief, suddenly entrusted with a little box of them which he must safeguard and return in good condition, or else risk a loss of \$1,000. I placed the treasure under my pillow, but not being accustomed to such custodianship, I slept ill. When the post-office opened the next morning, I was seated on the front steps, the package of kerchiefs under my arm, eager to send them back by registered mail and be rid of the responsibility of acting as day and night watchman.

Then I created a personal valet right out of the atmosphere, and had this man, Meadows, write a letter, somewhat in this vein:

The master was somewhat amused over your assumption that he would carry handkerchiefs of no better quality than the samples you kindly submitted. Because of their trifling cost, and because he happened to be suffering from a severe cold, he was tempted to retain these few samples just to tide him over temporarily, but I convinced him that none of these would be quite the proper thing for him to carry. He has now gone away on one of his yachts and may not return until the opening of the polo season. Meanwhile, as his valet, I am in charge of new purchases for his wardrobe and when you have anything really suitable for a gentleman, you may notify me.

J. ARNOLD MEADOWS.

The next morning Meadows received a telegram from the haberdasher that he was send-

ing a salesman down with a trunk load of samples and felt sure that he could meet all requirements of style, quality and refinement. There was no time to lose

and I was obliged to create a wife for Meadows. She wired back that her husband had just shot himself in a fit of discouragement over trying to find anything good enough for a gentleman to put on his back and it would be an unpropitious moment to send the salesman.

But she had a wireless message from the master on his yacht saying that he was about to appoint a special shirt commissioner in New

York who would also attend to purchases of handkerchiefs and even underwear. This representative would probably call on them.

That for the time being ended my haberdashing correspondence. It proved fun and excitement while it lasted and I also learned from it several astounding facts. Noteworthy among these was

the evidence that there must be scores of persons who write such letters to Fifth Avenue establishments in all seriousness.

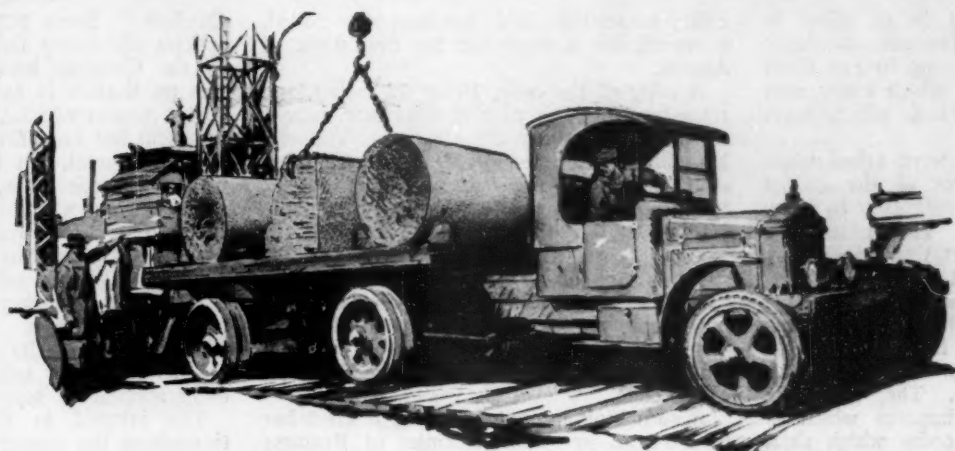
If I received such letters I would assume, either that I was being spoofed a little, or else that the letters were written by somebody whose keeper had carelessly permitted him to escape.

But to the fashionable haberdasher it must have been just a bit of ordinary routine. He had received so many letters from men frantic to be expensively garbed that one more did not penetrate his cuticle. We hear much about vanity in the well-known feminine sex, but there seems to be no limit of idiocy to which menfolk will not go in their effort to extend their personalities, as the new psychologists might put it, by means of costly garb.

In a Turkish bath recently I got into conversation with a man wearing a silk union suit. I always try to scrape up acquaintance with a man wearing silk underwear under such circumstances for the purpose of satisfying my curiosity. It is interesting to learn if he is by any chance truthful. Thus far I have never found a man who didn't insist that he wears silk underwear solely because of its comfort. The last man I asked warmed to his subject and grew enthusiastic as he explained how much cooler silk is in summer than any other fabric.

Aside from the fact that this isn't true, since silk is not as cool as cotton, one might guess after seeing and chatting with this man just why he wore silk. He liked the idea of being clad expensively.

Yes, but who would ever know it? How many ever see his pretty underwear? It isn't necessary that anybody shall see it. He doubtless feels that this is mostly a joyous secret between himself and his Maker, and derives much pleasure from thinking how cute and costly he looks when anyone does see him.



10 tons of "precious stones" *per day*- entrusted to Pierce-Arrow for *safe* transit

EARL SWEET and his Pierce-Arrow truck have the contract for delivering every pound of finished stone for the magnificent new capitol building at Olympia, Washington. The stone yards are at Tacoma, 33 miles away. Three years will be required to complete the job.

Twice each day the silent, powerful Pierce-Arrow truck makes the trip, delivering its five-ton load of precious freight—ten tons—132 miles per day.

Each stone, though weighing often a ton or more, is so delicately carved that damage to a single one would cause a loss of \$800 on the average.

To date, not a single minute has been lost and of the tons and tons of these precious stones already delivered not a single one has been damaged.

"When I consider the economy of this truck's operation," writes Mr. Sweet, "and the fact that

it can do its 132 miles at better speed than any truck I have yet seen perform, I am naturally inclined to be strongly in favor of Pierce-Arrow trucks."

Have you investigated what silent, powerful Pierce-Arrow Dual-Valve trucks are doing in your line of business? Ask the nearest Pierce-Arrow distributor.

Chassis Sizes: 2-ton 3-ton 4-ton 5-ton 6-ton
7½-ton

Tractors: 3-ton 5-ton 7½-ton

Chassis prices range from \$3300 to \$5400
Six-cylinder Motor Bus chassis, \$4600 and \$4750
J. O. B. Buffalo, N. Y.

Terms if desired

THE PIERCE-ARROW MOTOR CAR COMPANY
Buffalo, N. Y.

When in Buffalo visit the Pierce-Arrow factory. Capable guides will show you how Pierce-Arrow trucks and busses are built.

Pierce Arrow

Dual Valve
HEAVY DUTY MOTOR TRUCKS

When writing to THE PIERCE-ARROW MOTOR CAR COMPANY please mention the Nation's Business

Almost 300 Ratify Code of Ethics

IS THERE any interest in an effort to formulate rules of business conduct?

What's the sense of trying to put down in black and white things which every man knows he ought to do and which most men do?

Questions of that kind were asked when the Chamber of Commerce of the United States first appointed a committee to draw up such a set of principles. They were asked again when those principles were ratified by the Chamber in session at its annual meeting in Cleveland last spring.

They are being answered by the eagerness with which associations of business men and individual business houses are registering their approval of the code. They are being answered by the added impetus which is given to the drafting of codes which shall apply to separate industries.

The National Chamber's "Principles of Business Conduct" were, of course, laid down in broad terms so that they might fit every form of business. It was the Chamber's hope that the adoption of this broad code might lead other organizations to put into form rules which should apply only to their own industries.

Any association of manufacturers could agree to Section VIII:

Representations of goods and services should be truthfully made and scrupulously fulfilled.

It might well be that an association of makers of copper kettles would wish to define what grade or thickness of metal should be held standard in their industry.

No better test of the interest in the Chamber's code can be found than in the constant call for copies. More than 100,000 had been sent out in three months after the action of the convention, and that in a period of minimum business activity.

On another page is printed a list of all those organizations which have formally endorsed the Chamber's code. This list, prepared on July 29, has 190 names. In the week following more than

eighty associations and chambers were added, a remarkable activity for the first week of August.

A copy of the code, 18 by 28 inches, and reproduced on this page in miniature, is sent to each subscribing organization. The one here illustrated is endorsed to the Chamber of Commerce of New Britain, Connecticut, the first to follow the National Chamber's lead.

In addition, there are coming in at the rate of fifty or so a day endorsements of "The Principles of Business Conduct" by individual businesses. On August 4 there were some 350 already in the Chamber's hands. Each of them will get a smaller copy of the code.

A surprising amount of public interest has been shown in "The Principles of Business

Conduct." Some 300 clippings of editorial articles discussing them have been received by the Chamber between the time of their first publication in May and the first of August. Almost without exception the editorial comment has been favorable, not only to the idea in general, but to the particular form which this code takes. In a few isolated instances, there was a tendency to make light of them on the ground that, after all, they did nothing more than "endorse the Ten Commandments." The answer to this, of course, is that it is necessary in any code compiled by an organization such as the National Chamber to make its principles general, leaving, as has been said, the task of making them specific to separate organizations.

The interest in the code was uniform throughout the country—newspapers in some

thirty-nine states having discussed it. Nor is the interest found only in the large states, as many of the editorial comments were from smaller country newspapers. In this comment, two points especially were stressed. One was the last clause of the code as to the regulation of business; the other, that the whole tendency of business practice was away from the old doctrine of *co-veat emptor* and toward increasing the responsibility of the seller.

The growth of interest in codes of ethics for business has been marked in the last few years. Various compilations of organizations which have adopted codes have been made. The Department of Manufactures of the National Chamber of Commerce has compiled a list of seventy-three codes of ethics, and thirty-three codes of business practices and principles, the former covering occupations as widely different as lawyers, newspaper editors, soda-water bottlers, makers of dining extension tables, photographers, and real estate men.

A force in carrying on this work of encouraging business to adopt codes of ethics has been the Rotary International.



PRINCIPLES OF BUSINESS CONDUCT

OF THE
CHAMBER OF COMMERCE OF THE UNITED STATES

I
THE FOUNDATION OF BUSINESS IS CONFIDENCE, WHICH SPRINGS FROM INTEGRITY, FAIR DEALING, EFFICIENT SERVICE, AND MUTUAL BENEFIT

II
THE REWARD OF BUSINESS FOR SERVICE RENDERED IS A FAIR PROFIT PLUS A SAFE RESERVE, COMMENSURATE WITH RISKS INVOLVED AND FORESIGHT EXERCISED

III
EQUITABLE CONSIDERATION IS DUE IN BUSINESS ALIKE TO CAPITAL, MANAGEMENT, EMPLOYEES, AND THE PUBLIC

IV
KNOWLEDGE—THOROUGH AND SPECIFIC—AND UNCEASING STUDY OF THE FACTS AND FORCES AFFECTING A BUSINESS ENTERPRISE ARE ESSENTIAL TO A LASTING INDIVIDUAL SUCCESS AND TO EFFICIENT SERVICE TO THE PUBLIC

V
PERMANENCY AND CONTINUITY OF SERVICE ARE BASIC AIDS IN BUSINESS, THAT KNOWLEDGE GAINED MAY BE FULLY UTILIZED, CONFIDENCE ESTABLISHED, AND EFFICIENCY INCREASED

VI
OBLIGATIONS TO ITSELF AND SOCIETY PROMPT BUSINESS UNCEASINGLY TO STRIVE TOWARD CONTINUITY OF OPERATION, BETTERING CONDITIONS OF EMPLOYMENT, AND INCREASING THE EFFICIENCY AND OPPORTUNITIES OF INDIVIDUAL EMPLOYEES

VII
CONTRACTS AND UNDERTAKINGS, WRITTEN OR ORAL, ARE TO BE PERFORMED IN LETTER AND IN SPIRIT. CHANGED CONDITIONS DO NOT JUSTIFY THEIR CANCELLATION WITHOUT MUTUAL CONSENT

VIII
REPRESENTATION OF GOODS AND SERVICES SHOULD BE TRUTHFULLY MADE AND SCRUPULOUSLY FULFILLED

IX
WASTE IN ANY FORM—OF CAPITAL, LABOR, SERVICES, MATERIALS, OR NATURAL RESOURCES—IS INTOLERABLE AND CONSTANT EFFORT WILL BE MADE TOWARD ITS ELIMINATION

X
EXCESSES OF EVERY NATURE—INFLATION OF CREDIT, OVER-EXPANSION, OVER-BUYING, OVER-STIMULATION OF SALES—WHICH CREATE ARTIFICIAL CONDITIONS AND PRODUCE CRISIS AND DEPRESSIONS ARE CONDEMNED

XI
UNFAIR COMPETITION, EMBRACING ALL ACTS CHARACTERIZED BY BAD FAITH, DECEPTION, FRAUD, OR OPPRESSION, INCLUDING COMMERCIAL RIBBURY, IS WASTEFUL, DESPICABLE, AND A PUBLIC WRONG. BUSINESS WILL RELY FOR ITS SUCCESS ON THE EXCELLENCE OF ITS OWN SERVICE

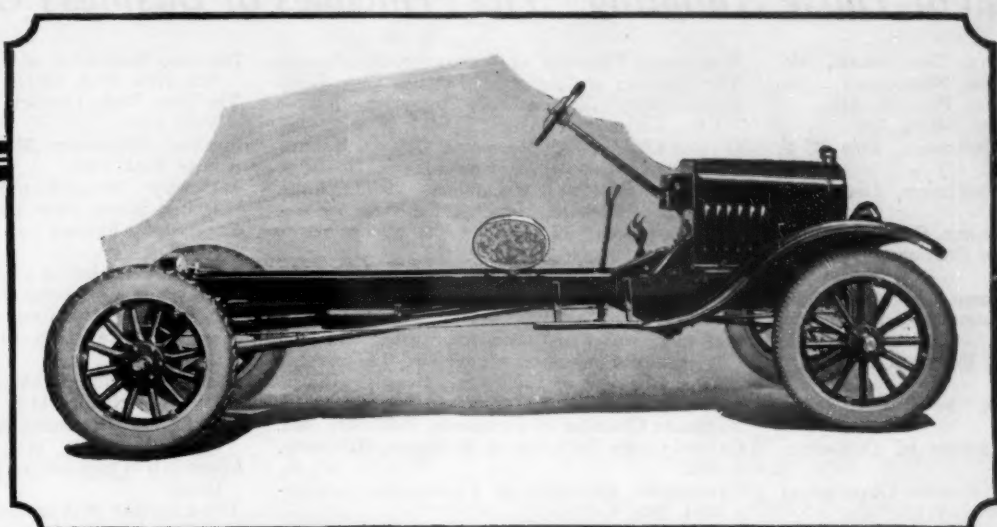
XII
CONTROVERSIES WILL, WHERE POSSIBLE, BE ADJUSTED BY VOLUNTARY AGREEMENT OR IMPARTIAL ARBITRATION

XIII
CORPORATE FORMS DO NOT ABSOLVE FROM OR ALTER THE MORAL OBLIGATIONS OF INDIVIDUALS. RESPONSIBILITIES WILL BE AS COURAGEOUSLY AND CONSCIENTIOUSLY DISCHARGED BY THOSE ACTING IN REPRESENTATIVE CAPACITIES AS WHEN ACTING FOR THEMSELVES

XIV
LAWFUL COOPERATION AMONG BUSINESS MEN AND IN USEFUL BUSINESS ORGANIZATIONS IN SUPPORT OF THESE PRINCIPLES OF BUSINESS CONDUCT IS COMMENDED

XV
BUSINESS SHOULD RENDER RESTRICTIVE LEGISLATION UNNECESSARY THROUGH SO CONDUCTING ITSELF AS TO DESERVE AND INSPIRE PUBLIC CONFIDENCE

These Principles of Business Conduct have been adopted by the
CHAMBER OF COMMERCE OF NEW BRITAIN,
CONNECTICUT



The World's Lowest Priced One Ton Truck Chassis

The Ford One-Ton Truck chassis on which you can mount the body type best adapted to your business will enable you to put into service the most efficient and most economical means of haulage available.

Powered by the famous Ford Model T Motor, the Ford Truck is a speedy, dependable servant, easily handled in traffic, around loading docks and warehouses. It is ruggedly and reliably built of the very finest materials. It is built to stand up under every type of load on all roads.

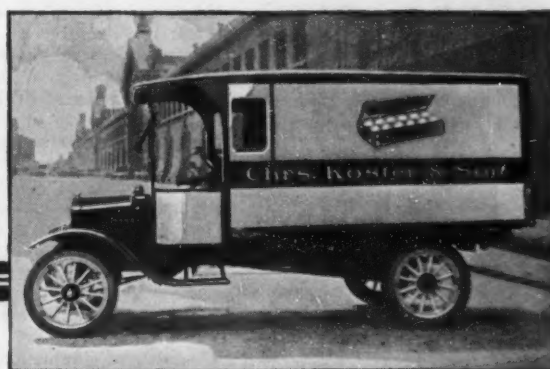
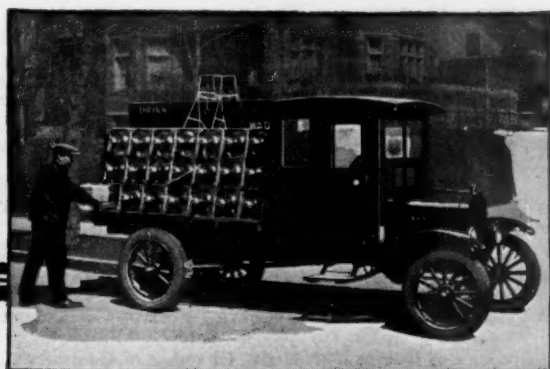
But more than this, Ford service is available to Ford users in every neighborhood of the nation. This means that when you have occasion to use Ford service your truck will receive the prompt attention of men skilled in their work—that you will receive the maximum service from your truck at the lowest possible cost.

Any authorized Ford dealer will gladly arrange to give you a practical demonstration and help you to select the body type best suited to your needs. See for yourself how Ford Trucks save time and money in your business.

Ford One-Ton Truck Chassis—\$370 f. o. b. Detroit

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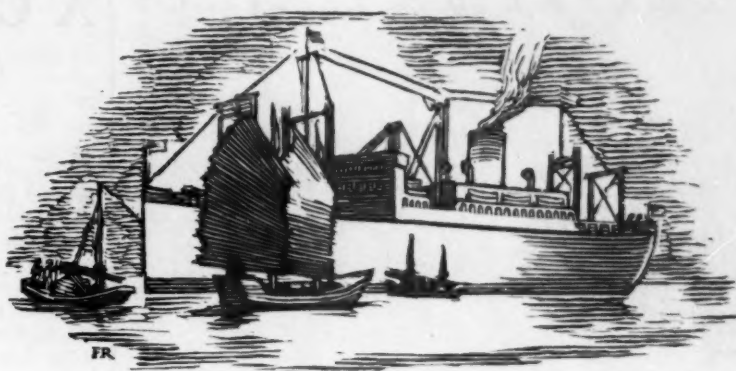
When writing to FORD MOTOR COMPANY please mention the Nation's Business

Honor Roll of Those Adopting "The Principles of Business Conduct"

CHAMBER of Commerce, Birmingham, Ala.
 Chamber of Commerce, Montgomery, Ala.
 Arizona Bankers' Association, Prescott, Ariz.
 Chamber of Commerce, Fort Smith, Ark.
 Pine Bluff Chamber of Commerce, Pine Bluff, Ark.
 Los Gatos Chamber of Commerce, Los Gatos, Calif.
 Oakland Chamber of Commerce, Oakland, Calif.
 Redondo Beach Chamber of Commerce, Redondo Beach, Calif.
 Riverside Chamber of Commerce, Riverside, Calif.
 Sacramento Chamber of Commerce, Sacramento, Calif.
 Foreign Trade Club of San Francisco, San Francisco, Calif.
 Chamber of Commerce of the Pajaro Valley, Watsonville, Calif.
 The Colorado Springs Chamber of Commerce, Colorado Springs, Colo.
 The Trinidad-Las Animas County Chamber of Commerce, Trinidad, Colo.
 Chamber of Commerce, Inc., Hartford, Conn.
 The New Britain Chamber of Commerce, New Britain, Conn.
 Chamber of Commerce, Norwich, Conn.
 Manchester Chamber of Commerce, South Manchester, Conn.
 Chamber of Commerce, Wilmington, Del.
 National League of Commission Merchants of the United States, Washington, D. C.
 Washington Chamber of Commerce, Washington, D. C.
 Fort Myers Chamber of Commerce, Fort Myers, Fla.
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 Sanford Chamber of Commerce, Sanford, Fla.
 Stuart Commercial Club, Stuart, Fla.
 Tallahassee Chamber of Commerce, Tallahassee, Fla.
 The Tampa Board of Trade, Tampa, Fla.
 Winter Haven Chamber of Commerce, Winter Haven, Fla.
 The Albany Chamber of Commerce, Albany, Ga.
 The Atlanta Chamber of Commerce, Atlanta, Ga.
 Insurance Federation of Georgia, Atlanta, Ga.
 Macon Chamber of Commerce, Macon, Ga.
 Rome Chamber of Commerce, Rome, Ga.
 The Valdosta Chamber of Commerce, Valdosta, Ga.
 Pocatello Chamber of Commerce, Pocatello, Idaho.
 Preston Chamber of Commerce, Preston, Idaho.
 North Idaho Chamber of Commerce, St. Maries, Idaho.
 Fox River Valley Manufacturers' Association, Aurora, Ill.
 Association of Commerce, Bloomington, Ill.
 Board of Trade of the City of Chicago, Chicago, Ill.
 Chicago and Cook County Bankers Association, Chicago, Ill.
 National Association of Chair Manufacturers, Chicago, Ill.
 National Dairy Association, Chicago, Ill.
 The National Ornamental Glass Manufacturers' Association, of United States and Canada, Chicago, Ill.
 National Association of Piano Bench & Stool Manufacturers, Chicago, Ill.
 Madison Commercial Club, Madison, Ill.
 Kankakee Chamber of Commerce, Kankakee, Ill.
 Chamber of Commerce, Lawrenceville, Ill.
 Mattoon Association of Commerce, Mattoon, Ill.
 Moline Chamber of Commerce, Moline, Ill.
 Tri-City Manufacturers' Association, Moline, Ill.
 Association of Commerce, Pekin, Ill.
 Springfield Chamber of Commerce, Springfield, Ill.
 The Chamber of Commerce, Gary, Ind.
 Indianapolis Chamber of Commerce, Indianapolis, Ind.
 Terre Haute Chamber of Commerce, Terre Haute, Ind.
 Whiting Chamber of Commerce, Whiting, Ind.
 Lebanon Chamber of Commerce, Lebanon, Ind.
 Clarinda Community Club, Clarinda, Iowa.
 The Des Moines Chamber of Commerce, Des Moines, Iowa.
 Chamber of Commerce of Marshalltown, Marshalltown, Iowa.
 Atchison Chamber of Commerce, Atchison, Kans.

Hutchinson Chamber of Commerce, Hutchinson.
 The Chamber of Commerce, Junction City, Kans.
 Kansas City Chamber of Commerce, Kansas City, Kans.
 Ottawa Chamber of Commerce, Ottawa, Kans.
 Chamber of Commerce, Topeka, Kans.
 The Wichita Board of Commerce, Wichita, Kans.
 Chamber of Commerce of Danville, Danville, Ky.
 Lexington Board of Commerce, Inc., Lexington, Ky.
 Associated Industries of Kentucky, Louisville, Ky.
 Alexandria Chamber of Commerce, Alexandria, La.
 Ruston Chamber of Commerce, Ruston, La.
 Chamber of Commerce, Shreveport, La.
 Bangor Chamber of Commerce, Bangor, Maine.
 Annapolis Chamber of Commerce, Annapolis, Md.
 Baltimore Chamber of Commerce, Baltimore, Md.
 Canned Goods Exchange of Baltimore, Baltimore, Md.
 Cumberland Chamber of Commerce, Cumberland, Md.
 Salisbury-Wicomico Chamber of Commerce, Salisbury, Md.
 Massachusetts State Chamber of Commerce, Boston, Mass.
 New England Coal Dealers Association, Boston.
 Fitchburg Chamber of Commerce, Fitchburg, Mass.
 Lynn Chamber of Commerce, Lynn, Mass.
 North Adams Chamber of Commerce, North Adams, Mass.
 Battle Creek Chamber of Commerce, Battle Creek, Mich.
 The Cadillac Chamber of Commerce, Cadillac, Mich.
 Insurance Federation of America, Detroit, Mich.
 The Greater Muskegon Chamber of Commerce, Muskegon, Mich.
 Manistee Board of Commerce, Manistee, Mich.
 Niles Chamber of Commerce, Niles, Mich.
 Business Men's League, Albert Lea, Minn.
 Chamber of Commerce of Minneapolis, Minn.
 Corinth Chamber of Commerce, Corinth, Miss.
 Chamber of Commerce of Washington County, Greenville, Miss.
 Laurel Chamber of Commerce, Laurel, Miss.
 Chillicothe Chamber of Commerce Association, Inc., Chillicothe, Mo.
 Chamber of Commerce, Joplin, Mo.
 Chamber of Commerce, St. Joseph, Mo.
 Merchants' Exchange of St. Louis, Mo.
 The Billings Commercial Club, Billings, Mont.
 Bozeman Chamber of Commerce, Bozeman, Mont.
 Missoula Chamber of Commerce, Missoula, Mont.
 Retail Merchants Association of Montana, Kalispell, Mont.
 Beatrice Chamber of Commerce, Beatrice, Nebr.
 Hastings Chamber of Commerce, Hastings, Nebr.
 Lincoln Chamber of Commerce, Lincoln, Nebr.
 Nebraska Manufacturers Association, Lincoln, Nebr.
 New Hampshire Manufacturers' Association, Manchester, N. H.
 The Chamber of Commerce of Burlington, Burlington, N. J.
 Chamber of Commerce, Camden, N. J.
 Hoboken Chamber of Commerce, Hoboken, N. J.
 Montclair Chamber of Commerce, Montclair, N. J.
 Sanitary Potters' Association, Trenton, N. J.
 Albany Chamber of Commerce, Albany, N. Y.
 Amsterdam Board of Trade, Amsterdam, N. Y.
 Auburn Chamber of Commerce, Auburn, N. Y.
 Elmira Chamber of Commerce, Elmira, N. Y.
 Gloversville Chamber of Commerce, Gloversville, N. Y.
 Chamber of Commerce, Glens Falls, N. Y.
 Jamestown Chamber of Commerce, Jamestown, N. Y.
 American Envelope Manufacturers Association, New York City.
 The Association of Ice Cream Supply Men, New York City.
 Chamber of Commerce of the Borough of Queens City of New York, New York City.
 Converters' Association, New York City.
 Eastern Supply Association, New York City.

National Association of Finishers of Cotton Fabrics, New York City.
 The New York Lumber Trade Association, New York City.
 Sterling Silverware Manufacturers Association, New York City.
 Wallpaper Manufacturers' Association of the United States, New York City.
 Yorkville Chamber of Commerce, Yorkville, N. Y.
 Syracuse Chamber of Commerce, Syracuse, N. Y.
 Chamber of Commerce, Southern Pines, N. C.
 Akron Chamber of Commerce, Akron, Ohio.
 Fire Insurance Club of Cleveland, Cleveland, Ohio.
 National Paving Brick Manufacturers Association, Cleveland, Ohio.
 The Chillicothe Chamber of Commerce, Chillicothe, Ohio.
 Cincinnati Chamber of Commerce, Cincinnati, Ohio.
 The Chamber of Commerce, Delaware, Ohio.
 Hamilton Chamber of Commerce, Hamilton, Ohio.
 Ironton Chamber of Commerce, Ironton, Ohio.
 Board of Commerce, Lima, Ohio.
 Chamber of Commerce, Massillon, Ohio.
 The Chamber of Commerce, Portsmouth, Ohio.
 The Board of Trade, Warren, Ohio.
 The Community Clearing House, Van Wert, Ohio.
 Duncan Chamber of Commerce, Duncan, Okla.
 Oklahoma City Chamber of Commerce, Oklahoma City, Okla.
 Sapulpa Chamber of Commerce, Sapulpa, Okla.
 Portland Chamber of Commerce, Portland, Oreg.
 Roseburg Chamber of Commerce, Roseburg, Oreg.
 Beaver Falls Chamber of Commerce, Beaver Falls, Pa.
 Butler Board of Commerce, Butler, Pa.
 Carlisle Chamber of Commerce, Carlisle, Pa.
 Charleroi Chamber of Commerce, Charleroi, Pa.
 Erie Chamber of Commerce, Erie, Pa.
 Franklin Chamber of Commerce, Franklin, Pa.
 Lancaster Chamber of Commerce, Lancaster, Pa.
 Chamber of Commerce, McKeesport, Pa.
 Chamber of Commerce of Oil City, Oil City, Pa.
 New Castle Board of Trade, New Castle, Pa.
 Insurance Federation of Pennsylvania, Philadelphia, Pa.
 The Lumbermen's Exchange of the City of Philadelphia, Philadelphia, Pa.
 The Philadelphia Maritime Exchange, Philadelphia, Pa.
 Waynesburg Chamber of Commerce and Greene County Publicity Bureau, Waynesburg, Pa.
 York Chamber of Commerce, York, Pa.
 Chamber of Commerce, Pawtucket, R. I.
 The Providence Chamber of Commerce, Providence, R. I.
 Rock Hill Chamber of Commerce, Rock Hill, S. C.
 Chamber of Commerce, Texarkana, Tex.
 Austin Chamber of Commerce, Austin, Tex.
 Chamber of Commerce and Commercial Club, Salt Lake City, Utah.
 Chamber of Commerce, Provo, Utah.
 Chamber of Commerce of Petersburg, Petersburg, Va.
 Portsmouth Chamber of Commerce, Portsmouth, Va.
 Granite Manufacturers Association, Inc., Barre, Vt.
 Chamber of Commerce of Bellingham, Wash.
 Hoquiam Commercial Club, Hoquiam, Wash.
 Puyallup Chamber of Commerce, Puyallup, Wash.
 Spokane Chamber of Commerce, Spokane, Wash.
 Tacoma Chamber of Commerce, Tacoma, Wash.
 Elkins Chamber of Commerce, Elkins, W. Va.
 Welch Chamber of Commerce, Welch, W. Va.
 Civic and Commerce Association, Eau Claire, Wis.
 Fond du Lac Association of Commerce, Fond du Lac, Wis.
 Madison Association of Commerce, Madison, Wis.
 Milwaukee Association of Commerce, Milwaukee, Wis.
 Nekoosa Chamber of Commerce, Nekoosa, Wis.
 Association of Commerce, Oshkosh, Wis.
 Sheboygan Association of Commerce, Sheboygan, Wis.



"THE MEDITERRANEAN ERA died with the discovery of America; the Atlantic Era has reached the height of its development; the Pacific Era, destined to be the greatest, is just at its dawn."

—THEODORE ROOSEVELT

Swiftly, on the Pacific Ocean, is growing the greatest commerce the world has ever seen.

Three-quarters of the earth's population are awakening to a recognition of new wants. They are demanding food, clothing, machinery. In exchange, they have billions in raw materials and manufactured articles to send us.

Already, Japan alone makes annual shipments to the United States amounting to over 300 millions of dollars and imports from us goods to the value of 360 millions.

Our trade with Japan has trebled in a decade.

With China it has quadrupled.

It has doubled with Australia and the Philippines.

For the year ending June 30, 1923, the trade record of the United States with various countries on the Pacific showed:

	Exports to U. S.	Imports from U. S.
China.....	\$169,619,408	\$96,851,718
Australia.....	54,727,517	96,310,785
Alaska.....	52,984,275	29,981,604
Philippines.....	74,757,909	44,054,419
Dutch East Indies.....	48,575,781	9,976,420

It has made beginnings with Siberia, richest in possibilities of all trans-Pacific lands.

And of our Pacific Coast commerce with the Orient, today more than two-thirds flows through the ports of the Pacific Northwest!

With the growth of this commerce the Pacific Northwest ports are growing—and will continue to grow with constantly increasing speed. For they themselves mark the path which the huge bulk of our trade with Asia must for all time follow. Here

are the definite advantages that assure this fact!

The Pacific Northwest ports are nearer by several days' sailing to Japan, to China, to the Philippines, to Siberia, than the South Pacific ports.

They are nearer by rail to the Atlantic Seaboard.

They are endowed with harbor facilities unparalleled anywhere else in the United States.

They are the very door to Alaska, whose annual traffic with the United States comes to more than 80 million dollars.

Back of them lie the great states of Washington, Oregon, Idaho, Montana and Wyoming—the Pacific Northwest, one-sixth the total area of the country, containing half its standing timber, half its potential water power, producing one-sixth its wheat and half the commercial apple crop of the world, yielding metals, coal and oil at the rate of a million dollars a day, manufacturing products worth five million a day, and sharing with Alaska the world's greatest fishing industry, worth a hundred million a year.

The growth of the ports of Washington and Oregon is reflected in the development of the entire Pacific Northwest, where the population is increasing more than twice as fast as that of the United States as a whole.

"— the Pacific Era, destined to be the greatest, is just at its dawn." And the American Pacific Northwest, dominating the main highway of its tremendous commerce, already feels its influence.

To American industry now, the Pacific Northwest offers its greatest opportunity for expansion.

THE PACIFIC NORTHWEST

The Chicago Burlington & Quincy R.R.
The Great Northern Ry.
The Northern Pacific Ry.



AN EXTRA MEASURE OF SERVICE



POLICY

POLICY is the body of principles which guide the conduct of the organization. Every business concern has a policy because even no policy is a policy.

In this institution the policy is definite and pronounced. It calls always for constructive financial service to American business. In war or peace, in storm or calm, there has been no departure from that policy.

Five thousand customer banks and many thousand individual customers attest it. It is one of the striking components of the *extra measure of service* normal to these banks.

**The CONTINENTAL and
COMMERCIAL
BANKS
CHICAGO**

RESOURCES MORE THAN 500 MILLIONS

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A Customer Looks At His Bank

By APPLETON STREET

LET ME admit at the beginning that all I know of banking I got on the visitor's side of the little windows—put in and take out.

Many years ago when I left home for school I had a check for \$200, received from the sale of two lots bequeathed by a frugal grandfather. It was a worn piece of paper when I got to the state university. But the bursar took me to the University Trust Company and personally introduced me to the treasurer. I shall never forget the courtesy of the treasurer, and it made an impression which leads me to this day to expect more of bank people than of other business people.

The first time I got any other feeling was some years later, when I came to New York. After being there several weeks, and finally getting somewhat adjusted to a job, I went around to a nearby bank and laid down ten \$20 bills with which to open a deposit account.

"We charge a fee of two dollars a month to care for an account below three hundred dollars," said the assistant cashier.

"Two dollars a month?" I repeated.

"Yes. Of course, when your balance gets above three hundred there'll be no charge."

"But a savings bank would pay me for keeping this money."

"Oh, that's different. An account here has checking privileges. The bookkeeping and other expenses are too great to warrant giving the service free."

An Early Illusion Shattered

I WENT out the door a few minutes later, the ten yellow bills back in my pocket, my mind full of new ideas. Instead of being a benefactor, an unselfish person who generously allowed the bank to take his money and keep it for him, I saw that the depositor was in fact a beneficiary.

It was the first time I had ever seriously analyzed the value of a bank's service to a depositor. Heretofore I had assumed that in the magic process of banking every dollar earned its keep many times over, and that it was a compliment to the bank to intrust to its custody any amount no matter how small. To supply checkbooks, monthly statements, and prompt supplies of cash on demand involved some expense, of course. Even in my casual thinking, I realized that. But I never dreamed that the expenses were not offset by the advantages accruing to the bank.

In New York, accordingly, I deposited my surplus in a savings bank and depended on my pocketbook to take care of my current finances.

Still later I made another move, going this time to an eastern city in another state. Within a month after I settled there, an acquaintance asked if I had selected my bank yet. I hadn't.

"Then, say! I want you to come on down to our bank. I've just been made a director there, and we're trying to see this spring how many new depositors we can get. My quota is twenty, and I want you to be Number 1."

I told the enthusiast that my deposit would be small, and would probably stay small.

"Heavens, that's no excuse," he came back. "It's the little deposits that will be the big deposits of the future. And, anyhow, every

depositor is an asset, a part of the good-will of the bank."

He finally got me around to his bank, introduced me to the cashier, and again I went through the stimulating process of becoming a depositor. As it happened, my initial deposit was just \$200. I was introduced to the receiving teller, the paying teller and the cashier, and everyone there seemed happy. I was happy myself.

That was in 1914. Things went smoothly. I let my deposits accumulate for a while, though I made use of my checkbook to pay current bills and appreciated the convenience. Then I had a siege of illness that brought my balance low. Once or twice the bank telephoned me of an overdraft, and I hustled over with a new deposit to make good the shortage.

Two years later business called me back to New York. It happened that one of the men in our office had formerly lived in Philadelphia and continued to do his banking by mail. This suggested the idea to me. If he could bank in Philadelphia by mail, why couldn't I continue my account in Dashville and also bank by mail? So, instead of closing my account, I mailed the bank my first salary check, gave them a memorandum of my new address, and asked them to mail me monthly statements.

This arrangement has been going on now for more than seven years, and we have had various vicissitudes. My deposits have been low a good part of the time. Once, though, I had enough on deposit to be credited with interest for a short period. The first difficulty was an overdraft, my fault entirely. But the point is that now I was some two or three hundred miles away, and the bank did not pay the overdraft and notify me of the shortage as they used to do when I was within local telephoning distance. They refused the check and of course I was distressed and embarrassed.

"Sorry, the Bank's Error"

THAT little experience caused me to be more careful, but it also made me a bit resentful against the bank.

A few months later the local coal dealer called me on the telephone. He said the check for \$19.50, which I had given him five days before, had been returned protested. The same day I received a form notice from the bank begging to advise that my account was overdrawn \$4.52. As I had within ten days mailed for deposit a check for \$250, and my outstanding checks would not total half that amount, I was—flabbergasted. I sat down and wrote the bank, begging them to advise me how they had disposed of my \$250.

And then the rejected and protested checks began to roll in. There was one for \$56 I had given my wife, which she had cashed at a suburban bank. There was another for \$15 that I had mailed to a creditor in a distant state. One had been cashed in a New York club, and with the rejected check came a caustic letter from the director of the club advising me that such conduct was inexcusable in a member and that "it would be well for you to write a letter of proper apology and seemly excuse."

Four days later I received a letter from the bank apologizing for the mistake, admitting that the \$250 had been received, and explaining that "because of an error in our office the check was not credited to your account, and we regret to say that several of your checks were refused during the few days following." The bank paid the protest fees and wrote letters of explanation to the outraged club director and others who had been

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Come To KENILWORTH INN *"in the Land of the Sky"*

NATURE'S PARADISE with man-made comforts and conveniences to please and entertain the business man and his family.

KENILWORTH INN joined hands with nature to give discriminating people an ideal resort. All the modern conveniences and niceties of life in an atmosphere of refinement. You will be impressed with the real elegance, the freedom from restraint, and the home-like, friendly atmosphere that prevails.

The rooms are large and airy with double windows, ample clothes closets and private baths.

Pure sparkling water from Mt. Mitchell. Cool nights are ever present.

Exceptional dining room service. Wholesome and appetizing Southern meals prepared by those skilled in the art of cooking. Served in a spacious, glass-enclosed dining room in a courteous and pleasing manner.

Golf, Tennis, Horse-Back Riding, Music, Dancing, and other alluring diversions for lovers of the outdoors.

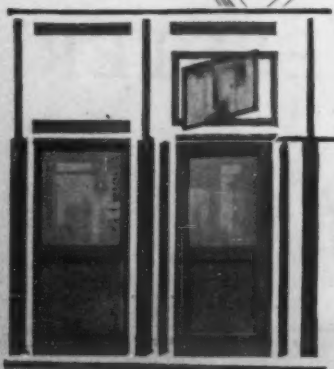
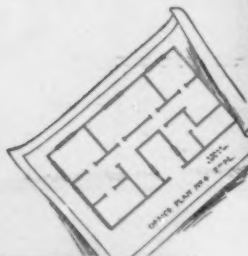
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EVEN A STOP-OVER WILL MAKE
YOU A REGULAR VISITOR**

Write for interesting Literature Concerning Kenilworth Inn and the Wonders of Western North Carolina

KENILWORTH INN - Biltmore, N. C.
Near Asheville



Telesco Partition
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IT TELESCOPES



Showing the simplicity of Telesco Partition construction. Can be erected or taken apart with only a screw-driver.



The cabinet finish of Telesco Partition lends beauty in any office. Its economy makes its use justified in the simplest surroundings.

Should Offices Be Planned With an Eye to the Future?

How many offices do you know of, that are working under a handicap, because they cannot be rearranged to meet changing conditions?

If you believe that offices should be planned so that they can be subdivided or rearranged at will, then Telesco Partition, the movable office partition, will appeal to you.

It is a sectional wood and glass partition that, though solid as a rock when erected, can be moved at will with just the aid of a screw-driver.

It is used by thousands of industries all over the country.

Write for fully descriptive catalogue.

IMPROVED OFFICE PARTITION CO. 33 GRAND ST. ELMHURST, NEW YORK, N.Y.

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annoyed by this breakdown in its bookkeeping machinery.

All went well for several months. Then one day I received notice of an overdraft. Apparently the bank had decided that they would pay the check and risk my making good—even though I were a long-distance customer. I was quite flattered and hastened to my checkbook. I figured for an hour, and could find no shortage. Instead, I seemed to have a balance. I wrote the bank so. And sure enough—in four or five days came their letter of apology. The bookkeeping department had again been caught napping, and had failed to credit a check sent for deposit.

When eventually a check came back, marked insufficient funds, and I found that it was indeed my error, I wrote the bank and suggested that inasmuch as I was a small depositor perhaps they would prefer me to close my account and withdraw.

"We do not wish you to close your account," answered one of the officials in a courteous letter, "but hope that you will see our position in the matter and realize that we are at all times ready to assist our depositors in every way. This does not mean that we can pay overdrafts, and we hope you will keep your account in such condition that such an event will not again occur."

Strictly a Cash Business

I HAVE tried to abide by this latter advice, in spite of my constitutional weakness in mathematics, and thought I was succeeding; but by and by another of my checks went to protest. This time I wrote to the chief executive of the bank:

My dear Mr. President:

Last Saturday I drew a check for \$11 against your bank and cashed it at the Blank Bank of New York. At that time I had a deposit of about two dollars in your bank, but at the same time I mailed you for deposit a check for \$366. Four days later I was notified by the New York bank that the \$11 check had gone to protest because "drawn against uncollected checks."

While it is technically true that the \$366 was not a real deposit until the check had gone back to the original bank and been accepted, I should think that simple courtesy to customers would make it good policy to risk the eleven dollars. If I were a new depositor, I should not think it strange if you wanted to know that the check I deposited was really good before handing out any cash. But a depositor of eight years standing, one who, your records will show, deposits with you every month, might reasonably expect to have established some honorable reputation with the bank.

It seems to me that it would be worth while to give some thought to the question of customers. Who are your customers? Those who borrow money, those who deposit money, or both? A policy such as that shown in the experience I am here reporting can kill good-will faster than any sort of effort can upbuild it.

The president's answer was prompt. He wrote:

I am in receipt of your letter of the 6th inst. I am very sorry that the check was returned as you explained in your letter. I have looked up the facts and find that the check was returned first of all as it was against uncollected funds, and more than that the account has averaged small for a long time and items have been returned for different reasons three times before, according to our records. We endeavor to take care of our accounts if we possibly can and we have very few complaints. It is our policy to take as good care of our accounts as possible, do as many favors as we can, and our record of increase in deposits from two millions to thirty-four millions shows that we do take care of our depositors. Hoping that you will accept our apologies, I remain,

Isn't the clew to my relations with my

Where the Steel Highways of America Join the Sea Lanes of the World

Seven of the nation's great railway systems literally meet the ships of the seven seas at Port Newark—half an hour's drive from New York City and within overnight motor trucking distance of the principal markets of the East.

Nowhere in America is there a more advantageous factory or warehouse location than at Port Newark. Land values are unusually low. The property is developed especially for industrial purposes. Climatic conditions favor uninterrupted year-round operation. In the adjacent communities there is a dependable labor supply of close to 8,000,000 people. Every facility for reaching any market or raw material source in the world is at your command.

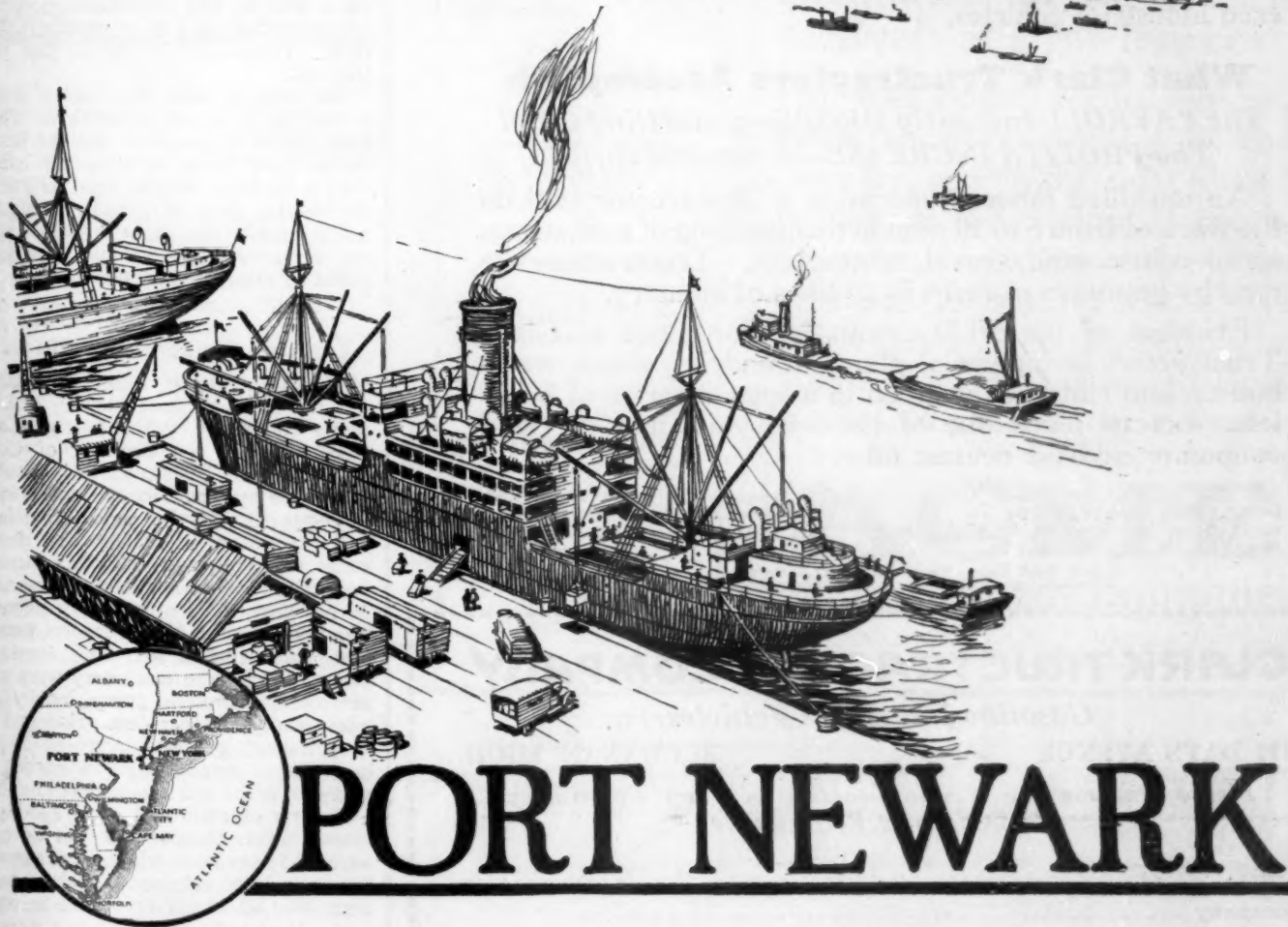
Your opportunity for industrial prosperity will be greater if your factories and warehouses are located within easy reach of *all* your potential markets. Consider Port Newark from that angle—now!

All the information you would need in considering Port Newark's possibilities for YOUR business is contained in the comprehensive free book "Port Newark." Write now for your copy.

THOS. L. RAYMOND, Director

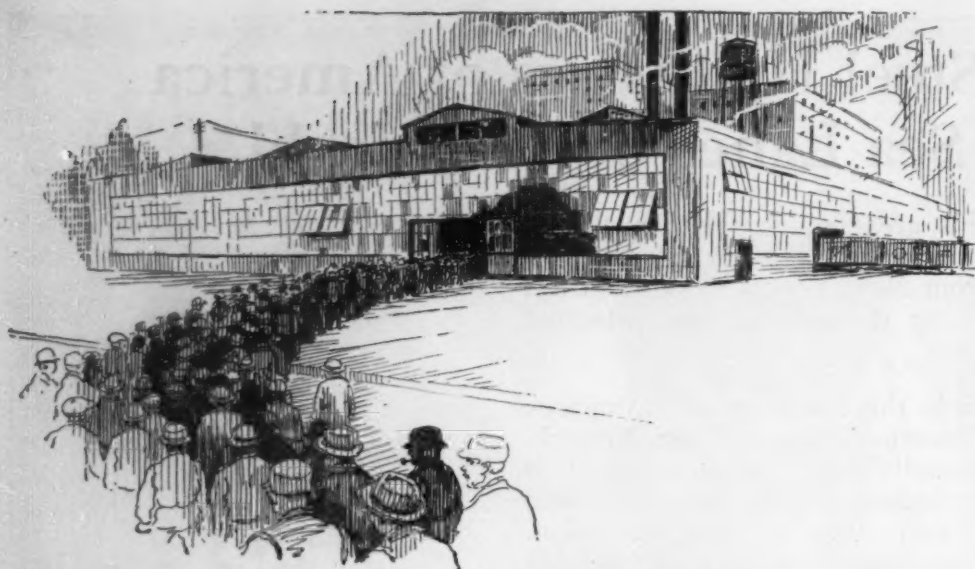
Department of Public Works

Newark, N. J.



PORT NEWARK

When writing to DEPARTMENT OF PUBLIC WORKS, NEWARK, N. J., please mention the Nation's Business



Who Pays for the High Cost of Unskilled Labor?

Most unskilled labor is used in the handling of materials, and is non-productive. The high cost of this unskilled labor comes directly out of plant profits.

Why not increase the capacity of your unskilled men just as you do the capacity of your skilled men—by giving them adequately powered machine tools? Let unskilled labor move loads with Tructractors—the gasoline powered industrial vehicles.

What Clark Tructractors Accomplish

The PAYROLL instantly DROPS—a startling drop!

The PROFITS INCREASE—a genuine thrill!

An unskilled laborer operating a Tructractor will do the work of from 5 to 10 men in the handling of coal, ashes, scrap, refuse, sand, gravel, cement, etc. Tructractors are used by hundreds of firms in 26 lines of industry.

Evidence of the profit-earning performance of Clark Tructractors in industrial plants, foundries, shops, warehouses, and railroads is given in a special series of booklets. Let us place one of these in your hands. Send coupon or address nearest office:

5756 Cass Ave.,
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339 Second Ave.,
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549 W. Washington Blvd.,
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635 Real Estate Trust Bldg.,
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294 Juneau Ave.,
Milwaukee, Wis.

1345 Highland Ave.,
Rochester, N. Y.

1111 Spruce St.,
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259 Franklin St.,
Boston, Mass.

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CLARK TRUCTRACTOR COMPANY

Gasoline Industrial Vehicles

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BUCHANAN, MICH.

Please send me one of your booklets on Clark Tructractor Profit-Earning Performance

Name..... Title.....

Company.....

Address..... City.....

When writing to CLARK TRUCTRACTOR COMPANY please mention the Nation's Business

bank found right here in the president's letter? I think it is revealed in his use of the word "accounts."

I am not so much a customer of the bank as I am an account.

An account must balance: no matter what happens to customer relations, no matter how disagreeable the impression conveyed in the process may be; no matter how tangible the opportunity to render a service and put the depositor under friendly obligation may be, the preeminent requirement, overshadowing everything else, is that the account balance.

Perhaps this is the proper attitude for a bank to take. I admit that I am writing from only one point of view, that of the small depositor, and it may be one-sided.

A Need for Little Favors

A DEPOSITOR is either an asset or a burden. The attitude of the bank, up to the time of the president's letter, did not indicate that it regarded me as a burden. If I was or am a burden, it certainly is not fair to the stockholders to carry me. If I am an asset, I ought to get full service—including the caring for me in such minor slip-ups as may occur from time to time.

A precisionist may retort that such mistakes are inexcusable. Maybe so, from the standpoint of accounting, but not from the standpoint of salesmanship. All kinds of people make up the list of customers of a department store; the slow-minded, the quick-minded, the lookers and the buyers, the grouches and the hard-headed and the easily influenced. So it is with the customers of a bank, and no bank can expect to specialize on mathematicians for its clientele.

Probably what the New York banker told me is correct, and depositors below a certain minimum balance are an expense. If so, all right. People are willing to pay for what they get.

But when a bank does take a depositor—either free or at \$2 a month or what-not—treat him as a customer. Let the bank really do the little favors of which the bank president in his letter says he does "as many as we can"—take care of small overdrafts and quickly notify the depositor when any show up, without leaving it to him to discover his plight by returned protested checks.

Exported Goods Show Gain for 1924

AN ANALYSIS of American export trade for the first three months of 1924, recently completed by the Foreign Commerce Department of the Chamber of Commerce of the United States, showed a substantial gain made by manufactured goods in general as compared with the same period last year.

A statement issued by the department states that "our textile exports increased 24 per cent in value; our lumber exports gained 28 per cent, despite the heavy domestic demand; our iron and steel exports were 39 per cent higher than a year ago; overseas shipments of American machinery were up to 23 per cent; the vehicle group, led by automobiles, made a 38 per cent gain; and exports of petroleum products increased 2 per cent in value. Among our foodstuffs, export values of fruits and nuts almost doubled.

Exports of grain and other food products showed severe declines in value: Corn exports were off 53 per cent; wheat 50 per cent; sugar 50 per cent; oil cake and oil-cake meal 50 per cent; oleo oil 12 per cent; and bacon 10 per cent. Coal and coke shipments were 17 per cent below, and kerosene 13 per cent below 1923 figures.

Chips From the Editor's Work Bench

AMERICAN bottlers of carbonated beverages are to have a convention at Louisville, November 10 to 14. They want people to know of the improved methods of bottling, and will have modern bottling machinery in operation during the convention.

Back in 1772, Joseph Priestley, an English chemist, produced "soda water," but it was a sort of profitless fizzle. In 1807, Townsend Speakman, a Philadelphia druggist, added fruit juices to the Priestley formula, and thus originated the carbonated beverage known to our times.

Although Speakman is no more, his works go flowing on—last year the American people drank 8,000,000,000 6-ounce bottles of carbonated beverages. If placed upright side by side, those bottles would make approximately forty-two rows extending from New York to San Francisco, or five rows encircling the globe, and their contents would fill a 500,000,000 gallon reservoir. And soft words are not needed to get soft drinks—"speak man, easy" is not in the bright lexicon of the bottlers of fruit juices.

In the old days the bottler mixed the ingredients by hand, washed the bottles in a tub, and made his own carbonic gas—usually



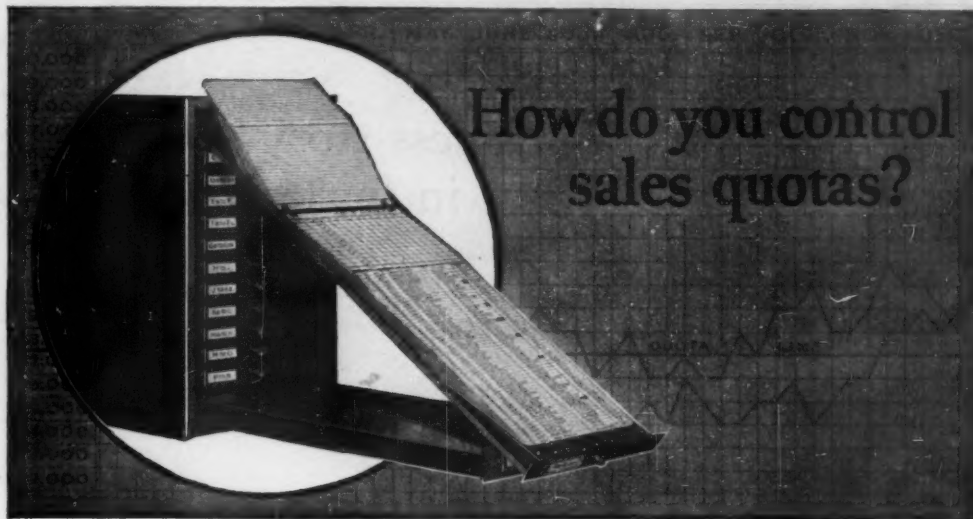
from marble dust, cut his own corks and wired them to the bottles. Nowadays, machinery does all the work. The modern bottlers have come a long way from that early scene, where

By the rude tub that held the flood,
Their gas by helpers' wheezes whirled,
Here once the embottled mixers stood,
And corked the drinks drunk round the world.

WINDMILLS and windmill towers made in the United States during 1923, says the Department of Commerce, were valued at \$6,311,038, an increase of 28.3 per cent over the value fixed in 1921, the last preceding year in which a census of manufactures was taken. Useful things, windmills—and from all signs of these piping political times there'll be no lack of Quixotes to tilt with them.

ONLY 2½ per cent, or 164,347 of the 6,500,000 farmers in the United States, are receiving services from electric light and power companies, says a report made by the rural electric service committee of the National Electric Association. Individual farm lighting and power plants are in use by about 200,000 farmers, the committee found. And Samuel S. Wyer, of the Smithsonian Institution, at another time and in another place, gives testimony in behalf of electric power to lighten the household tasks of rural women. He says that the women on the farms are doing their work with equipment fifty years behind the up-to-date facilities used in barn and field.

Now, isn't that a bodkin to puncture conceit over the pace of national progress? But



How do you control sales quotas?

Wherever There's a Need for a Record, There's a Need for Acme

ACME Visible Records Equipment

is opening new sales possibilities; reducing production, selling and general costs; visualizing real facts; and otherwise profitably serving the country's leading industries.

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With its remarkable record of profit-building accomplishment and its twelve exclusive points of superiority, Acme is helping countless industries pay better dividends on invested capital.

Ask for the Acme Booklet

SOME of the best sales executives in the country tell us that Acme Visible Records more profitably control their sales quotas and do it more adequately and more effectively at a far less cost.

Our well posted record experts, covering every section of the country, are "right next door" to discuss the matter of profitable business records—and without obligation. Or, if you prefer, we'll gladly send the Acme Book of Visualized Business Control upon request.

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ACME CARD SYSTEM CO., 116 S. Michigan Ave., CHICAGO
Branch Offices and Representatives in Most Principal Cities

ACME CARD SYSTEM COMPANY,
116 South Michigan Avenue, Chicago

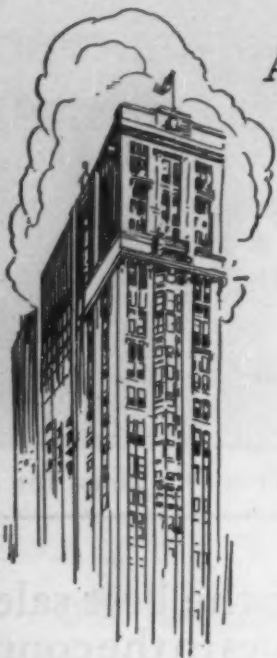
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- ☐ Have representative call
- ☐ Mail Catalogue
- ☐ Send detailed recommendations by mail on handling _____ records.
(sample forms enclosed.)

Name _____

Address _____

By _____



A business story in four chapters

1. Twenty years ago The Equitable had 23 officers and employees and total resources of approximately \$39,000,000. Today it has more than 1900 officers and employees, and its resources total more than \$400,000,000.
2. Eight years ago its foreign transactions were handled by a subdivision of three men. Today its foreign department is a major division of 480 men and 11,500 correspondents on whom the sun never sets.
3. Five years ago the bulk of its banking business was of a purely Wall Street nature. Today it is a modern commercial bank, dealing in national and international credits.
4. In less than a generation The Equitable has grown from a small company to be one of the world's largest and strongest financial institutions and one of the best-known American banks abroad.

*A descriptive booklet, "EQUITABLE SERVICE,"
will be mailed you upon request.*

Can a bank be too big?

"PERSONAL SERVICE" is a hackneyed phrase. But it has a real significance to the user of a bank. Our growth in depositors and in deposits has been paralleled by a growth in personnel and facilities, so that the same personal contact with depositors, and the same careful attention to their business has been maintained.

THE EQUITABLE TRUST COMPANY OF NEW YORK 37 WALL STREET

UPTOWN OFFICE
Madison Ave. at 45th St.

FOREIGN OFFICES

LONDON: 10 Moorgate, E.C.2
Bush House, Aldwych, W.C.2
PARIS: 23 Rue de la Paix
MEXICO CITY: 48 Calle de Capuchinas

IMPORTERS AND TRADERS OFFICE
247 Broadway

DISTRICT REPRESENTATIVES

PHILADELPHIA: Land Title Building
BALTIMORE: Calvert and Redwood Sts.
CHICAGO: 105 South La Salle St.
SAN FRANCISCO: 485 California St.

it does seem that with all the talk of relief for farmers, there might be some relief for farmers' wives—who in addition to their chores have to live with the farmers. At least, the politicians could wish the rural women more power—just by way of meaning "Volts for farm women."

SCIENCE has again befriended industry. This time it's the hairpin makers who are helped. The pin money—hairpin money—of American women has been trickling into the tills of barbers. And to aggravate the losses of custom, a blued pin of German make was put in competition with the less attractive japanned pin of domestic production. Ex-



perts of the Bureau of Standards put their heads together, and found that a single heat tinting applied to steel wire of suitable carbon content would duplicate the blued finish of the foreign pins. Now our hairpin magnets can see Germany's finish—a bolt from the blue, as a pinhead might say.

A CODE of business practice has been written and adopted by the American Association of Paper Specialty Manufacturers. The code lists a considerable number of practices that will be held unfair, and it provides that "proof of unfair practice shall be ground for expulsion and publicity." Ethical prescriptions have been written from time to time, but the doctors in this case seem determined that their formula shall be something more than a scrap of paper—a sort of professional ultimatum à la code.

LARGE corporations have done notable work in providing houses for their employes, with detached cottages having "all modern conveniences" a frequent feature, says a report of the National Civic Federation of New York. Progressiveness in building for the masses, the Federation believes, is a noticeable characteristic of the times in the United States. And so it is.

The cottage of today outdoes the mansion and the castle of an earlier time in facilities for living and doing. Not many years ago, only a few houses had the conveniences of electricity for light and power, gas for cooking and heating, and the facility of telephone communication. Like as not, many of the stately old buildings were what the fiction writers made them. In reality they were probably crude and uncomfortable shelters for their tenants.

Certainly the workmanship of the builders was not always the perfection ascribed to it by popular fancy. A good deal of guff has been written about the blithe artisans who sang at their jobs—of the beauties created in the joy of the workers' hearts—of the glories of the old craftsmanship. Poor work in the Middle Ages was no curiosity—but it may be that it was done when the workers were not in good voice. Tut-ankh-Amen's tomb has provided evidence that 3,500 years ago there were workmen who bungled their jobs.

It seems to be easy to dream of the glories

Du-Plex Envelopes

Produce More Sales

Reduce Postage and Handling Costs



SALES OFFICES
NEW YORK
BOSTON
CHICAGO
PHILADELPHIA

**CHENEY
SILKS**

**CHENEY BROTHERS
MANUFACTURERS**

MILLS
SOUTH MANCHESTER
CONNECTICUT

215 FOURTH AVENUE AT 14TH STREET
NEW YORK

May 1st, 1924

Du-Plex Onvelope Corporation,
Chicago, Illinois.

Gentlemen:-

We have been constant users of Du-Plex envelopes ever since they were brought to our attention three years ago. We have found them very efficient carriers of booklets, advertising proofs and swatches of material.

We believe they are productive of more sales than the ordinary method of sending catalogs and other material under separate cover because they enable us to send a personal letter together with samples or sales literature, adding a selling punch which would otherwise be lacking. Undoubtedly, they should effect savings in the Mailing Department of any firm using them.

Very truly yours,

Homer Curtis
HOMER CURTIS
Director Sales Promotion

HC FW

**More
sales**

**Lower
handling
costs**

**Users
three
years**

**Letter
and
catalog
together**

Du-Plex
TRADE MARK REG. U.S. PAT. OFF.

2 in 1 ENVELOPES

Pat. U.S.A. May 20, 1919. Oct. 9, 1923. Feb. 28, 1924.
Pat. Canada Sept. 30, 1919. Other Pats. Pending

© 1924

The only two standard makes of two-compartment envelopes

**COLUMBIAN
MON-O-POST**

TWO COMPARTMENT

ENVELOPES

Patented July 19, 1921
Other Pats. Pending

COUPON

Du-Plex Onvelope Corporation, Dept. A
15-21 South Market Street, Chicago, Ill.

Gentlemen:- Please forward free copy of "Suppose This Were Your Catalog," showing how double-compartment envelopes can produce more sales through the mails and yet decrease mailing costs.

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Street _____

City _____ State _____

FOR MORE SALES THROUGH THE MAILS

When writing to DU-PLEX ONVELOPE CORPORATION please mention the Nation's Business



It wasn't easy to talk with Dan about his will

"BUT it seems so uncanny!" Sally had exclaimed. "Like getting ready for —"

Her school chum, Harriet Martin, had been speaking of a new will just made by her husband, and explaining the importance of a will and the appointment of an executor.

"Like getting ready for death? Not at all! It's really providing for life."

"I wonder if my husband has attended to these matters?" Sally speculated. "I wouldn't know how to bring up such a subject with Dan—you see, he's so reserved about business matters."

But she did muster courage to say that night, "Dan, do you think a wife is right in asking her husband if he has made a will? Should she help select the executor?"

Dan sat silent as she told of her talk with Harriet.

"I think a wife is right," he finally said, "in asking that her husband make a will, and in being certain that it is to be carried out

by a responsible executor—that's assuring her own future."

"Have you made a will and appointed an executor?" asked Sally.

"No, I haven't," admitted Dan. "But I'll do so immediately, and appoint my trust company executor. For everything Harriet says about the advantages of a trust company is absolutely true—it has continuous life, is supervised by the state, brings the experience and judgment of many men to the management of property, and is a highly specialized institution for doing business of this sort safely."

Ask your Trust Company



for a copy of "Safeguarding Your Family's Future" an interesting booklet containing information about wills, and trusts. The booklet may also be obtained by writing to the address below.

TRUST COMPANY DIVISION
AMERICAN BANKERS ASSOCIATION
110 EAST 42nd STREET, NEW YORK

of mansions and castles of other days—not so easy to appreciate the conveniences of this age, but

Glories, like glow worms, afar off shine bright, But look'd to near have neither heat nor light.

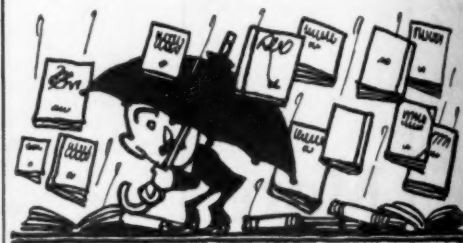
CHICAGO'S school system now offers a course in housekeeping. A five-room apartment is used for the instruction. Girls are taught how to cook, how to sew, how to make a family budget, how to make beds, how to clean house—and the care of babies.

The "baby" used in the course is of bisque. With the property baby the instructors show the girls how to bathe and dress a live baby—and where to put in pins.

Housekeeping and the care of babies is a proper business for women, and better homes and better babies will come of study and practice. But use of a phoney baby doesn't face the real issue. A live baby is no respecter of curriculums in Chicago or elsewhere—the race is not to the bisque.

A PLEA for fewer and better books was applauded at the annual convention of the American Booksellers Association. Too many "pot boilers" are coming from the printing houses to the discouragement of book reading and book owning, according to a report of the Association's board of trade. Circulating libraries have also decreased the sale of modern fiction, another report said. Probably too many books do spoil the booksellers' broth—but how are publishers and authors to live?

The problem of the publisher, of course,



is to keep his presses going and his staff intact. And the problem of the author is to seem a literary lion to the well-known wolf—there's many a rejection slip 'twixt a book and a scrip. Bad writers are not rare and their sins may find them out. Even so, who would deny them the comfort of belief that "there is no hell for authors in the next world—they suffer so much from critics and publishers in this." But once fame is attained, authors' letters on all sorts of subjects and to all conditions of persons get into print, although prices of their books may be butchered to make a booksellers' holiday. So it is that

The letters men write live after them; The good is oft interred with their tomes.

SKILLED workmen are today receiving higher daily pay than ten years ago, says the National Industrial Conference Board. No news or novelty is in that statement. But it may be worth knowing that at the time of making the report, printers held first place in the magnitude of their weekly earnings. Newspaper and magazine printers received an average weekly pay of \$36.14. Rated second were the iron and steel workers with an average pay of \$33.57 a week. And in third place stood the automobile factory workers with \$31.12 a week. Next in amount of their pay checks were the book and job printers, foundry and machine shop workers,

agricultural implement workers, chemical factory employes, and workers in electrical and rubber factories.

Well, who would begrudge the printer his high place in American industry? He makes known the sayings, writings, and doings of other men, and for that service the world is much beholden to him. Much ink has gone over the rollers since the times of Gutenberg and Caxton, and now the craft of the printer's hand is supplemented with machinery of artful capabilities. But manuscripts continue to reflect human frailties and fallibilities, and printers must still grope for the meaning of absent minds. Printers are much with the world and in close touch with its sham and artifice. Small wonder that they should become dour and gray with brooding on the injustice of "typographical errors."

But the great peace will come when the last line is set at last, and rule and stick put by, and type and setter both alike in proper makeup lie. Others will then do for the printer the mortuary honor to print his name in "caps," and perhaps accord him the dignity of the four-stroke dash. And like as not, his soul would remain in character with his life, and would relax no standard of his craft—probably the Milky Way would seem only "wrong font."

—R. C. W.

Senate Figures Show Gain For U. S. Business in 1922

NINETEEN twenty-two has been generally conceded to have been a better year in business results than 1921, but the exact statistics have been lacking nor will they be completely available for several months. Meanwhile, however, some figures compiled specially for the Senate when it was considering the proposal to levy a graduated tax upon the undistributed portion of corporate net earnings, demonstrate that even in agriculture conditions improved in 1922.

In 1921 all corporations showing a profit, 171,000 in number, had in the aggregate \$4,336,000,000 of taxable net income. In 1922 the 109,000 corporations with a taxable net income exceeding \$2,000 showed an aggregate of \$6,586,000,000. In 1921 all corporations engaged in agriculture and related industries having any net income, totaling \$3,146, showed an aggregate of \$40,000,000, whereas in 1922 some 1,600 reported \$57,000,000. For other groups, the figures for all corporations showing any taxable net income in 1921 and for those with more than \$2,000 in 1922 are:

	1921	1922
Mining and quarrying.....	\$185,000,000	\$272,000,000
All manufactures.....	1,777,000,000	3,336,000,000
Food products, tobacco, etc....	319,000,000	439,000,000
Textiles and their products....	327,000,000	518,000,000
Leather and its products.....	57,000,000	83,000,000
Rubber and rubber goods, etc....	5,000,000	28,000,000
Lumber and wood products.....	70,000,000	191,000,000
Paper, pulp and products.....	44,000,000	78,000,000
Printing and publishing.....	124,000,000	181,000,000
Chemicals and allied substances	158,000,000	448,000,000
Stone, clay, and glass products.	69,000,000	135,000,000
Metal and metal products.....	437,000,000	1,230,000,000
Construction.....	67,000,000	85,000,000
Transportation and public util-		
ities.....	821,000,000	874,000,000
Trade.....	571,000,000	939,000,000
Personal Service		
professional, amusements,		
hotels, etc.....	104,000,000	137,000,000
Finance, banking, insurance,		
etc.....	739,000,000	845,000,000

When the complete statistics for 1922 are published, they will be even more favorable in comparison with the figures for 1921 than the data submitted to the Senate for a purpose other than to indicate the business trend. The figures now available, however, would seem to demonstrate that every branch of business activity participated in the recovery which got under way in 1922.

TAYLOR-WHARTON IRON & STEEL CO.

TIOGA STEEL & IRON CO. W. WHARTON JR. & CO. INC. PHILADELPHIA ROLL & MACH



Have You Sent for Your Copy of This Book?

We have used the recent issues of a number of National Journals to announce the publication of this booklet. We believe it will be read with interest by every man whose plans have to do with machinery. A machine, whether it be an Automobile, a Rock Crusher or a Steam Roller, is only profitable so long as it runs; and this is determined by the quality of the steel used in making its wearing parts—it is only wearing parts that fail.

To stress the importance of "putting the right steel on the job," we have used the booklet to illustrate a number of specific applications. If you have not already sent for a copy, do so now.



Seamless Steel Cylinders for Gases at High Pressure

All cylinders are much alike in outward appearance, but there exists certain differences which hold a definite significance for the buyer. Thus, a cylinder that stands up to service for fifteen years is considerably cheaper, regardless of its first cost, than one ready to be scrapped at that time.

No Wharton cylinder has ever failed. Made at our Easton plant, William Wharton, Jr. & Company, Inc.



Special Castings for Any Purpose

Commercial Steel Castings—Electric Furnace or Converter Steel. The uniform, flawless casting is what you have in mind when you place your order. You don't always get it. In all industries men are looking for a source of supply of high grade commercial castings. This company can furnish them.

Tisco Manganese Steel Castings—Ordinary metal hard enough to resist abrasion is too brittle. Manganese steel possesses the quality of hardness without brittleness. These castings are adapted to a large range of applications where excessive wear is encountered.

Taylor-Wharton Iron & Steel Co.

High Bridge, New Jersey

Sole owner of the Hibbard-Howe Patents covering basic processes for the electric manufacture of manganese steel

Products of the Allied Companies—Catalogs on Request

Manganese Steel Wearing Parts Special Trackwork Cylinders for Gases Hammered and Pressed Forgings Rolls and Rolling Mill Machinery

When writing to TAYLOR-WHARTON IRON & STEEL COMPANY please mention the Nation's Business



The Worm at the Root

A worm can bore away unnoticed at the root of a plant or tree and cause decay and death.

Is the worm of disease boring away unnoticed at the roots of your system?

Many constitutional diseases, such as Bright's or Diabetes, can creep into your system unsuspected until they become chronic and perhaps incurable.

There is one definite check-up on your health which discloses the danger signal when the worm of disease starts its work. This check is a periodical urinalysis. By it we keep watch and ward over the state of your health, notify you when the slightest irregularity has started, protect you against disease getting a grip on your system unsuspected.

This BUREAU, the oldest and largest in the country, the original health protection service, makes this examination for you periodically, does all the work, takes all the bother and trouble off your shoulders, gives you a health report every three months that is your physical trial balance—all for a very modest fee. The cost is so small that you cannot afford to be without this service.

Send this coupon today for interesting treatise on health protection.

National Bureau of Analysis
N.B. 94 Republic Bldg. Chicago, Ill.

National Bureau of Analysis,
N.B. 94, Republic Bldg., Chicago, Ill.

Gentlemen: Please send me today, free of charge, your health protection treatise, "The Span of Life."

Name

Address

News of Organized Business

THE PROPERTIES of refrigerating materials and types of equipment used and the hazards involved in their use are discussed by the National Safety Council in a pamphlet on mechanical refrigeration. The pamphlet is Number 61 of a series on safe practices published by the Council—"a cooperative non-commercial organization of men, industries and communities interested in the prevention of accidents" with offices at 168 North Michigan Avenue, Chicago.

"Mechanical refrigeration has become indispensable to many industries and is frequently used in homes, but, like other kinds of equipment, has proved to be dangerous to life and limb and health at times," the Council's engineers say in introduction. "The purpose of this pamphlet is to outline the properties of refrigerating materials and types of equipment used, to discuss the hazards involved, and to describe methods for overcoming or lessening them."

The pamphlet, according to the Council, is in no way a duplication of the proposed Mechanical Refrigeration Safety Code, sponsored by the American Society of Refrigerating Engineers, but is merely designed to present information that will be helpful to industries and the general public in avoiding accident and health hazards.

New Building for Joliet Chamber

A TWO hundred and twenty-five thousand dollar building is to be erected for use of the Joliet chamber, recently organized through consolidation of the Association of Commerce, the Retail Merchants Association, and the Commercial Club, a social organization.

Architects are now at work on plans for the building, announced to be ready for occupancy by January 1, 1925. The building will include business offices, club rooms, large and small dining rooms, and a banquet room to seat 800 persons.

The site is located in the business district of the city. Banks agreed to underwrite a first mortgage equal to one-half the cost of the lot and the building. The money required of the chamber under that arrangement was raised through sale of 6 per cent second mortgage bonds to the amount of \$100,000, and the sum of \$25,000 was obtained from membership initiation fees.

During the building campaign a canvass was made for members on a continuing basis. The goal was set at 1000, and 1006 members were obtained. By January 1, 1925, the chamber expects to have 1200 members. The solicitation in behalf of the building and for membership was organized and directed by a local committee at a cost of \$150.

A Municipal Traffic Bureau

DURING the war the port of Portland, Oregon, was served by six steamship lines; now there are fifty-three lines in service. Important in the expansion of that service has been the municipal traffic bureau under the direction of H. L. Hudson. Branches of the bureau are established at New York City and at Kobe, Japan.

Representatives of the bureau at the branch offices make known to the offices of firms that ship goods to the Pacific Coast or to the Orient the facilities of Portland for handling shipments and invite the routing of shipments through Portland. The representatives also call at the offices of steamship companies to report on the quantities of cargo available, the depth of water in Portland harbor and its approaches, and give similar pertinent information.

In addition to the representatives at the branch offices, traveling representatives are maintained in Australia, New Zealand, and the Straits Settlements, and also a local representative who travels from Portland through the interior of the Columbia River basin, serving a region of 264,000 square miles tributary to Portland by informing shippers and producers of the facilities of Portland and by helping them to solve their transportation problems.

A publicity and advertising department is in



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Bureau of Canadian Information

The Canadian Pacific Railway, through its Bureau of Canadian Information, will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. In the Reference Libraries, maintained at Chicago, New York and Montreal, are complete data on natural resources, climate, labor, transportation, business openings, etc., in Canada. Additional data is constantly being added.

Development Branch

If you are considering the establishment of your industry in Canada, either to develop your Canadian business or export trade, you are invited to consult this Branch. An expert staff is maintained to acquire and investigate information relative to Canadian industrial raw materials. Information as to such raw materials, as well as upon any practical problem affecting the establishment of your industry, including markets, competition, labor costs, power, fuel, etc., is available.

No charge or obligation attached to the above services. Business men and organizations are invited to make use of it.

CANADIAN PACIFIC RAILWAY
DEPARTMENT OF COLONIZATION AND DEVELOPMENT

C. P. R. Building
Madison Ave. at 44th St. 185 E. Ontario St.
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A Cure for the "Dingies"

Is your plant production difficult to maintain? Is your labor turnover higher than it should be? Do you have considerable spoilage? Are accidents increasing?

If any of these symptoms are present, perhaps your plant has the "Dingies." Better call in "Old Sol, M. D." and get a prescription for Fenestra WindoWalls. The treatment is inexpensive and it is a great rejuvenator.

Inadequate light and improper ventilation are among the common maladies that slow down industrial activity. Yet they are very easily corrected. Small wood windows in old buildings may be replaced by large bays of glass and steel. Superfluous masonry wall areas may be changed into windows. Roofs may be redesigned to admit light and take off smoke and gases.

You'll be surprised at the increased efficiency these changes can produce at a very moderate expenditure. Fenestra engineers near you will be glad to study your plant and make suggestions and estimates of cost without the slightest obligation, handle details, supply stock types from warehouse and insure you a satisfactory installation.

DETROIT STEEL PRODUCTS COMPANY, H-224 E. Grand Boulevard, DETROIT
For Canada: Canadian Metal Window & Steel Products, Limited, 160 River St., Toronto
Factories: Detroit, Toronto and Oakland

We have recently completed the installation of your sash in our weave rooms and I am certainly delighted with the results. It has made such a great improvement that I wish you could come over and see it. I am quite sure you would never know but what the sash had been put in at the time the building was erected.
*Union Buffalo Mills Co.,
Buffalo, S. C.*

It seems strange that it has taken so many years for a number of us to wake up to the fact that daylight is so important a thing to provide for in the building of factories.

We have, during the past three years, taken out a great many of our old windows and put in large steel sash and we have found this an extremely profitable thing to do.

*Sligh Furniture Co.,
Grand Rapids, Mich.*

Two views of the plant of the Sligh Furniture Co.



Before installing Fenestra Windows.



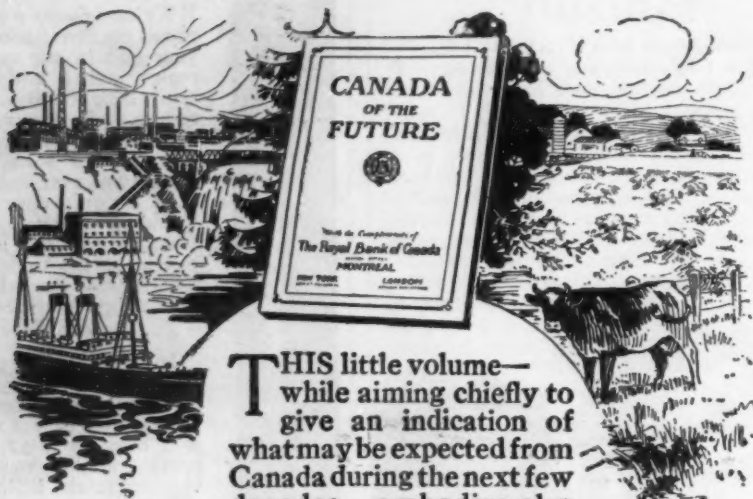
After installing Fenestra Windows.

Fenestra

The Original Steel WindoWall

**This Tells
You It's
Fenestra**

When writing to DETROIT STEEL PRODUCTS COMPANY please mention the Nation's Business



THIS little volume—while aiming chiefly to give an indication of what may be expected from Canada during the next few decades—embodies also general information of particular interest to those who do business with Canada, or who contemplate establishing in the Dominion.

We shall be glad to furnish a copy of the booklet on request.

The Royal Bank of Canada

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StoneTex is not an ordinary paint. It will not chip, flake or peel off. It rainproofs walls and saves repainting for years.

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Send free Stone Tex Color Chart and information on ☐ Painting exterior masonry. ☐ Daylighting interiors. ☐ Stopping dusting of concrete floors. ☐ Preventing steel corrosion.

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Address

Protects Concrete Brick and Masonry

StoneTex is one of the complete line of Truscon Maintenance Products for building and equipment—paints and varnishes for interiors and exteriors, floor finishes, waterproofings, steel paints, etc.

Write for Free StoneTex Color Chart Showing 10 Attractive Masonry Colors

THE TRUSCON LABORATORIES
155 Truscon Bldg. DETROIT, MICH.

TRUSCON MAINTENANCE ENGINEERING

operation at the home office. Reports on business opportunities are made to the home office by the branch and traveling representatives of the bureau, and their reports are then forwarded to Portland firms that may be interested. All of the representatives make studies of the traffic at the ports included in their assignments and report possibilities in the interest of Portland.

Airplanes May Affect City Plans

TO BUILD cities all alike by formula would obliterate all distinguishing features of their topography, suggests Frederic A. Delano, in discussing the application of regional planning to the cities of New York, Chicago and Washington. Addressing the members of the Chicago Regional Planning Association, Mr. Delano emphasized the importance of scaling the proportions of buildings to accord with their surroundings. Great variations in the heights of buildings have raised new problems in city planning, he said, and in those problems are included the complexities of transportation and concentration of population. He believed that:

"The question of transportation facilities, the convenience of the public and comfort must also be considered in connection with these skyscrapers; also matters of exaggerated values due to overconcentration.

"... We know that the automobile has created new difficulties, and just so the auto bus, and the motor truck. We know that presently the greater use of the airships and aeroplanes is certain to affect our whole city planning. Some planners tell us that it will be necessary to lay out landing fields. Perhaps we shall have to work out a plan by which the landing can be done on the flat tops of our buildings, which would make it necessary to adopt some standards of uniform roof levels."

Deep Water Interests Richmond

RICHMOND is spending \$15,000 to ascertain the volume of commerce that would be handled by water in addition to the present water-borne commerce, provided the James River is deepened and straightened, and adequate port facilities are made available. The required industrial and commercial survey was made at the direction of the city by the Technical Advisory Corporation of New York. The importance of the investigation is suggested by Richmond, published by the chamber:

"Millions of dollars have been lost to Richmond shippers because of the lack of water transportation facilities, and it is this enormous loss the business interests of Richmond hope to stop by immediate and enthusiastic action."

Compulsory Voting Law Sought

A COMPULSORY voting law would benefit the entire nation, believes the chamber at Lansing, and in testimony of that belief the chamber's board of directors has concurred in a resolution which recommends that—

... the business men of the country, who have heretofore taken the stand that they are too busy to give service to their city, state, or nation, as well as every other possessor of the franchise in the community who, through neglect or carelessness, refuses to exercise his franchise right, be compelled by legal means to exercise that franchise and

... that we urge that a suitable law be placed upon the statute books, making it compulsory that all legal voters register and vote at all legal elections held, and

... that a penalty of temporary disfranchisement, or fine, or both, as may seem best in connection with such a law, be imposed upon all electors failing to vote.

Ft. Wayne Values Trade Tours

A DAY of entertainment was planned by the Fort Wayne chamber to honor four hundred visiting merchants from seven Ohio towns and two Indiana towns east of Fort Wayne. Members of the Fort Wayne chamber have made four tours to establish good-will for Fort Wayne in nearby towns and cities, but the reception for the out-of-town merchants marked the

first inbound tour to be sponsored by the chamber.

The program arranged for the visitors included a band concert, a sightseeing trip, a luncheon, a theater party for women visitors, and an inspection of wholesale houses and factories. Of the importance of trade tours to Fort Wayne, E. C. Miller, president of the chamber, said:

"The trade tours have my strongest commendation. I believe the four outbound tours we have had in past years have demonstrated their value to the city, and I expect this inbound tour to be an even greater success. I think these trade tours are the most effective means we have in the chamber of commerce for building goodwill and increasing the trade territory of Fort Wayne."

Cities and Books About Them

THE DISTINCTIVE characteristics of cities and their governments are reflected in books recently come from the publishing houses, notably books on New York, Boston, Washington, Detroit, and Buffalo.

New York high school students were the authors of "Our City—New York," published by Allyn & Bacon, 1924.

A review of the important facts of Boston's history is presented in "Boston, the Place and the People," by M. A. DeWolfe Howe, published by the Macmillan Company, 1924.

Louise Payson Latimer in "Your Washington and Mine," published by Scribner's Sons, 1924, includes chapters on the city's history, its administration and its plan.

The *Detroit News* in 1923 published George B. Catlin's "The Story of Detroit."

Buffalo's department of education has adopted "Buffalo's Textbook" for use in the city schools. The book was written by John F. Barry and Robert W. Elmes. The city council paid for the publication of the book, and copies are obtainable from the city clerk of Buffalo. Included in the book are an appraisal of Buffalo's development, and an analysis is offered as evidence that the industrial expansion of cities is ruled by their relative importance as centers of economic assembly of raw material, economic production and economic distribution.

A \$5,000,000 Order for Buffalo

STEEL CARS valued at \$5,000,000 were ordered from the Buffalo plant of the American Car and Foundry Company through representations of the Buffalo chamber, in cooperation with the car company and the New York Central Railroad Company. Of the chamber's interest the *Buffalo Live Wire* says:

"It was a detail in the day's work of the chamber to bring this order to Buffalo. Hundreds of thousands of dollars worth of other orders are constantly being placed here through similar well-directed efforts on the part of the chamber. Such work merits support, and it is not asking too much of any business house in this city to contribute ten cents a day for each working day in the year, the cost of a membership in the chamber, to help the chamber continue its activities."

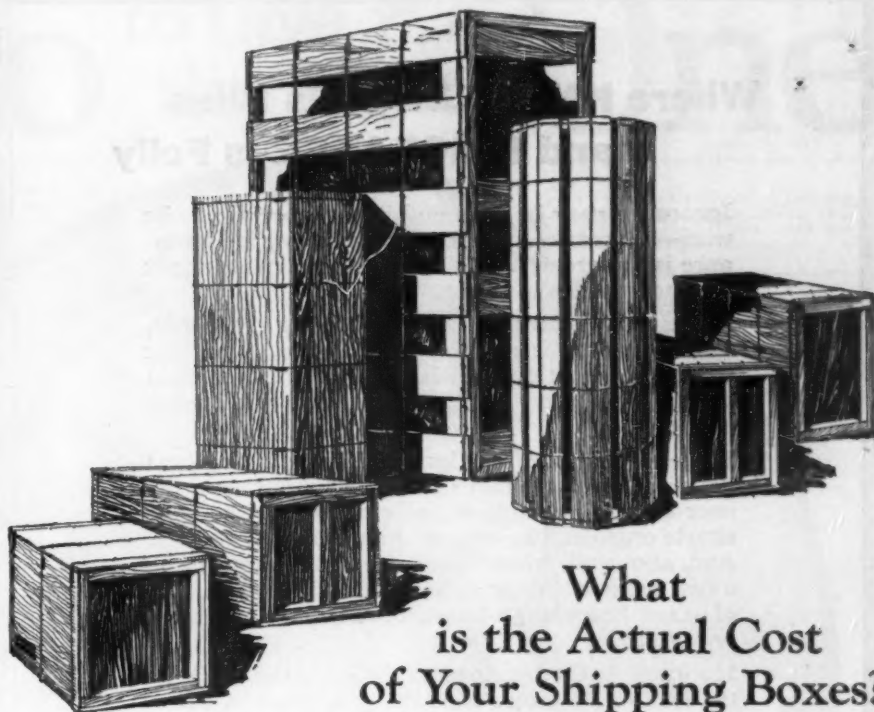
A New Kind of Annual Report

DRAMA has been achieved in the annual report of the Boston chamber, "What They Found at 177." William West, an energetic westerner, returns to his New England home and with his friend, James East, a lukewarm member of the Boston chamber, calls at the chamber's headquarters. With this setting for the action, the activities and achievements of the Boston chamber are told in narrative form.

Cities Believe in Advertising

BOOTBLACKS, department stores, gas-filling stations, bus lines—every business man, every business enterprise contributed to a fund for the advertisement of Portsmouth, New Hampshire. In five hours a committee of chamber members raised \$2,200, and only a small part of the business district had then been canvassed. The money will be spent for folders and newspaper space.

A fund of \$20,000 was subscribed in Ogden,



What is the Actual Cost of Your Shipping Boxes?

Frequently the initial box cost is but a small fraction of the actual cost. How about labor costs? Transportation charges? Loss and damage claims?

A General Box Engineer recently analyzed the shipping methods of a large manufacturer. The crates were rectangular, large, weighed fifty pounds. $\frac{3}{4}$ inch lumber was used. They took an hour to build and pack and were heavy and hard to handle.

Now but five minutes are needed for the work—one twelfth the former labor cost. And the new Pioneer Crate is easy to handle because of the change in shape.

Thirty five pounds weight is saved on each crate—a good reduction in transportation cost. Yet the Pioneer is stronger than the old crate.

A General Box Engineer will be glad to call on you, study your boxing or crating methods, render a report—simply on receipt of a letter from you. No cost or obligation.

Here is only a partial list of products shipped with economy and safety in Pioneer Wirebound Boxes and Crates.

Space prohibits listing all products.

Aluminum Ware	Inks, Pastes, etc.
Automotive Products	Insulators
Batteries	Knit Goods
Bolts and Nuts	Lawn Mowers
Bottles	Leather Goods
Brass Goods	Locks
Candy	Meat
Carburetors	Metal Stampings
Castings	Paint and Varnish
Chains	Paper
Chairs	Radiators
Chemicals	Rubber Goods
Cigars	Sausage
Coffee	Screw Machine Products
Cutlery	Shirts
Drugs	Shock
Electric Supplies	Absorbers
Enamel Ware	Spark Plugs
Forgings	Tires
Furniture	Tools
Grinding Wheels	Varnish
Grease	Washing Powder
Hosiery	Wrenches

GENERAL BOX COMPANY

504 N. Dearborn Street - Chicago, Illinois

Seventeen Factories Give You Close at Hand Service

Bogalusa, La.	Crawfordsville, Ind.	Houston, Tex.	Nashville, Tenn.
Brewton, Ala.	Detroit, Mich.	Illmo, Mo.	New Orleans, La.
Brooklyn, N.Y.	East St. Louis, Ill.	Kansas City, Mo.	Pearl River, La.
Cincinnati, O.	Hattiesburg, Miss.	Louisville, Ky.	Sheboygan, Wis.
	Winchendon, Mass.		

When writing to GENERAL BOX COMPANY please mention the Nation's Business

Where KNOWLEDGE is Bliss and IGNORANCE is Folly

Ignorance may be bliss and it may be folly to be wise—in poetry—but *not in business*; for Ignorance is the greatest of all business evils; because it is blind business in action.

Successful business *knows*, from costly experience, that Ignorance is *anything but bliss*. And that the only connection *folly* has with *wisdom* is when business has been foolish enough not to be wiser *sooner*.

Nine out of ten infirmities and failures in business are directly traceable to barren Ignorance—ignorance of trade conditions, of costs, of markets, of simple organization, system, management, control. And, above all, *blind* ignorance of the presence of a new order of things in business today—the order of *exact knowledge based on dependable facts and figures*.

Ignorance is the bandage to the eyes, the chain to the feet, of Progress. Knowledge is the wings lifting business to Power and Profit.

A business that *knows itself* does not fail. A business that *guesses* and *gambles* never fails to fail.

A lot of "pretty little words" perhaps, these paraphrased epigrams of great philosophers. Ignorance will claim they do not apply to business.

Knowledge *knows they do*.

ERNST & ERNST

AUDITS — SYSTEMS

TAX SERVICE

NEW YORK	CLEVELAND	DETROIT	MINNEAPOLIS	LOS ANGELES
BUFFALO	CINCINNATI	GRAND RAPIDS	ST. PAUL	ATLANTA
ROCHESTER	TOLEDO	KALAMAZOO	DAVENPORT	NEW ORLEANS
BOSTON	COLUMBUS	PITTSBURGH	INDIANAPOLIS	DALLAS
PROVIDENCE	YOUNGSTOWN	WHEELING	ST. LOUIS	HOUSTON
PHILADELPHIA	AKRON	ERIE	KANSAS CITY	FORT WORTH
BALTIMORE	CANTON	CHICAGO	OMAHA	SAN ANTONIO
RICHMOND	DAYTON	MILWAUKEE	DENVER	WACO
	LOUISVILLE	MEMPHIS	SAN FRANCISCO	

TAX OFFICE: 910 TO 918 MUNSEY BLDG., WASHINGTON, D. C.

Reprints of Articles

appearing in this magazine may be ordered from THE NATION'S BUSINESS, Mills Building, Washington.

We will give permission, on request, for the reprinting of articles from THE NATION'S BUSINESS in house organs, or in other organization periodicals.

When writing to ERNST & ERNST please mention the Nation's Business

Utah, for the advertisement of the city and the obtainment of new industries. Ogden showed its willingness to support expenditures for greater publicity when chamber committees canvassed the business and professional men.

Small Groups Facilitate Work

HELPFUL fellowship is easier in a small group than in a large group, believes the Jacksonville chamber. In the direction of that belief the chamber, when planning a series of ten round-table membership meetings, divided its membership in ten groups. The president gave notice that:

"No long speeches will be permitted. Each member will be given an opportunity to ask questions or to make suggestions for the good of the community or of the chamber. There will be no solicitation for membership, money or work. Just a pleasant, helpful hour together.

"These meetings have been arranged simply to meet a need for real membership conferences in the interest of our city. Notes will be taken of all suggestions, and resolutions may be passed recommending that the board of governors of the chamber consider any particular suggestion for investigation or undertaking by the chamber."

Artificial Silk Named "Rayon"

FINAL approval of the word "Rayon" to be adopted as the generic name for artificial silk was voted by the board of directors of the National Retail Dry Goods Association. Notification of the final adoption of Rayon by the retail trade has been sent to the committee of artificial silk producers and manufacturers headed by S. A. Salvage, of the Viscose Company. In advising the committee of its action, the board of directors of the National Retail Dry Goods Association announced that a special bulletin would be sent to the entire membership at once to give information of the directors' action and suggesting a campaign of promotion to familiarize the consumer with the word Rayon.

New England Products' Display

MERCHANDISING, like charity, should begin at home, according to the manufacturers and merchants of New England. In support of such a contention, they are now completing plans for an exhibition of New England products to be held throughout the section during the week of September 15 to 20.

The object of this demonstration is primarily to "sell New England to New England," to acquaint the home market of the excellence of New England products.

These products already enjoy a wide market throughout the United States and overseas, but the committee feels that the residents of New England have something to learn of local products.

The demonstration will take the form of special and exclusive window displays of New England products by wholesale and retail establishments throughout the section, and of "open house" invitations extended to the public by the manufacturers. The Boston Chamber of Commerce, through a special committee, is working enthusiastically to make the "week" a success, as are other chambers of the New England states.

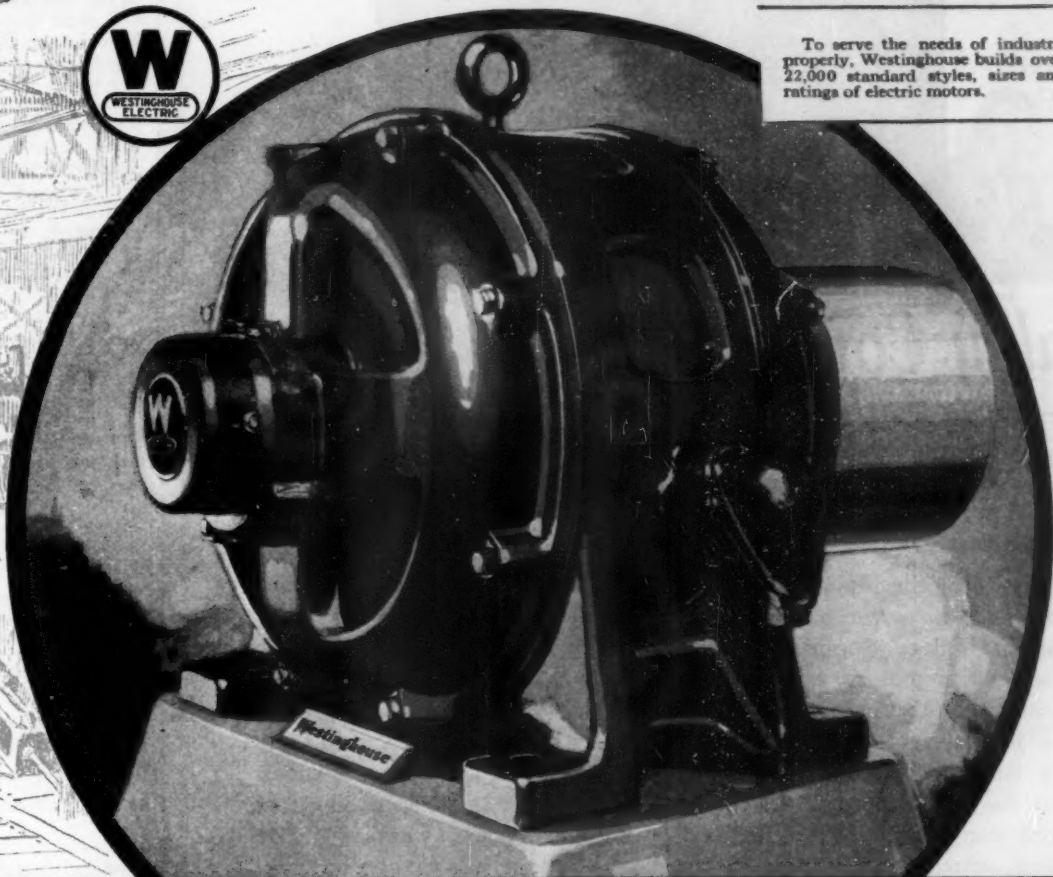
Druggists Meet at Swampscott

A THREE-DAY convention for the discussion of better retail merchandising was held at Swampscott by the Massachusetts State Pharmaceutical Association and Traveling Men's Auxiliary. The program included addresses by John H. Webster, president of the National Association of Retail Druggists; Con DePree, president of the DePree Company; Jerry McQuade, editor of *Drug Topics*; J. Frank DeChant, vice-president of the Sheldon School, Chicago; Ned Mitchell, superintendent of displays of the Liggett Company; Harry Harding, director of advertising and sales promotion for the United Drug Company; G. W. Sulley, representative of the merchants division of the National Cash Register Company; Richard Lennihan, of the Bureau of

22,000 to Give You the Right One



To serve the needs of industry properly, Westinghouse builds over 22,000 standard styles, sizes and ratings of electric motors.



OUR ELECTRIFIED CIVILIZATION



LONG before the advantages of electrical methods were generally recognized, Westinghouse designed, developed, and perfected electric motors. These early motors were an essential factor in industrial electrification, and their acknowledged pre-eminence and fitness was only a natural result of this close participation in the advancement of industry.

Diligent and untiring search for better and more economical ways to perform the many and varied industrial operations and for ways to build better motors gave Westinghouse the privilege to contribute so

much to our electrified civilization.

An interesting commentary on this progress and research is the fact that in order to assure the right motor, for all ordinary industrial applications, Westinghouse builds 22,000 different standard styles, sizes, and ratings. In addition, almost twice this variety is available to serve the more special requirements of industry.

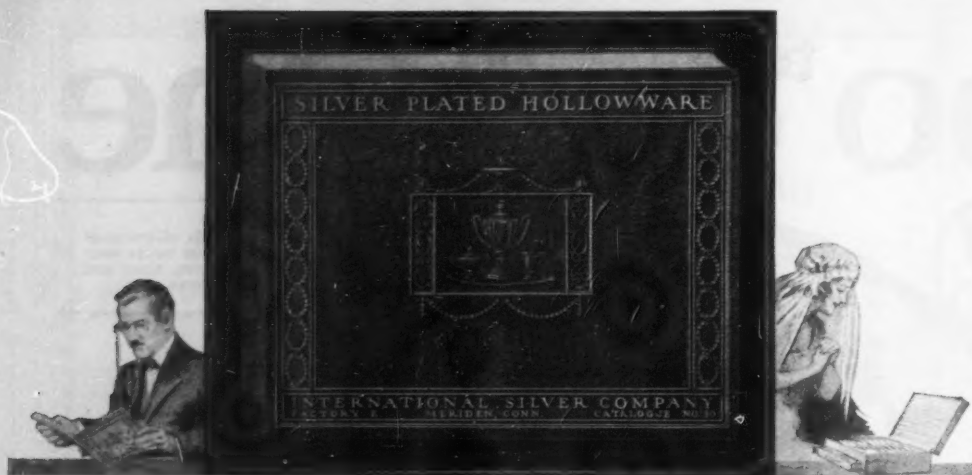
The motor shown in this illustration represents the ultimate in modern motor design. It is the result of nearly forty years of research and improvement on the original Westinghouse-Tesla motor, the patriarch of all alternating current motors.

WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY
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Quality Covers Help Sell Silverware

COVERS which are in keeping with the character of the merchandise are of invaluable assistance in selling such an article as silverware.

Therefore the Molloy artist who designed the cover of the International Silver Company's book fashioned a pattern which would please the discriminating eye of the jeweler, accustomed to judging beauty. Heavy embossing and the rich texture of the fabric itself contribute to the finished effect, which is irresistible in its appeal.

Molloy Made Covers add immeasurably to the attention value and sales power of any catalog or counter book. And their durability insures a long life of service, whether their mission be on a jewelry store show case or a machine shop bench.

Compared to the service they render, the cost of Molloy Made Covers is most moderate. Let us submit a design for a cover which will increase the effectiveness of your next book, whether it be loose-leaf or permanent binding. Write to us.

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Commercial Covers  for Every Purpose

Who are our 155,000 Subscribers? They are executives in 90,947 Corporations*

In these corporations the magazine is being read by the following major executives:

Presidents.....	38,925
Vice-Presidents.....	17,632
Secretaries.....	17,013
Treasurers.....	8,249
Partners and Proprietors.....	9,486
Directors, Chairmen of Boards, Comptrollers, General Counsels, Superintendents and Engineers.....	6,651
General Managers.....	12,270
Department Managers (Branch—Purchasing—Sales —Export, Etc.).....	11,601
Major Executives.....	121,827
Other Executives.....	9,228
Total Executives.....	131,055
All other Subscriptions.....	23,932

If this audience represents a market for your products, we shall be glad to give you complete advertising details

The NATION'S BUSINESS, Washington

*Figures based on a complete investigation of all subscribers in twelve cities.

Research, Harvard University; Harry E. Dodge, of the Fall River Rotary Club; A. J. Johnston, district manager of the Western Company, Chicago; W. R. Green, advertising manager of the Charles E. Hires Company, Philadelphia.

A Plan to Rout "Blue Mondays"

NO LONGER will "blue Mondays" prevail over the business men of New Brunswick, New Jersey, if the plans of the retail merchants division of the board of trade are successful. The stores are crowded with customers on Saturday nights, with consequent relaxation of buying interest on Monday. To induce Saturday night buyers to postpone part of their shopping until Monday, some merchants are offering special bargains every Monday. Increased business at the beginning of the week is anticipated as a result.

Coming Business Conventions

Date	City	Organization
September		
2.....	Jersey City.....	American Manufacturers Association.
Wk of 2d..	Chicago.....	National Restaurant Association.
4-5.....	Greensboro, N.C.	Southern Nurserymen's Association.
5.....	New York.....	Oyster Growers and Dealers Association of North America.
8.....	Atlantic City...	Cycle Jobbers Association of America.
8-12....	Atlantic City...	Cycle Trades of America, Incorporated.
8-10....	Chicago.....	Health and Accident Underwriters Conference.
8-12....	New York.....	National Association of Retail Clothiers and Furnishers.
9.....	New York.....	Music Publishers Association of United States.
9-12....	Philadelphia...	American Society of Sanitary Engineers.
9-12....	Milwaukee...	National Association of Insurance Agents.
10.....	Elmira, N. Y....	Middle States Furniture Manufacturers Association.
10.....	Louisville.....	Rim Manufacturers Club.
10.....	Chicago.....	Wholesale Sash and Door Association.
10-11....	Chicago.....	Wirebound Box Manufacturers Association.
11-12....	Atlantic City...	National Association of Office Appliance Manufacturers.
12-13....	Cleveland.....	Employing Photo-Engravers Association of America.
15-18....	Cleveland.....	Barbers Supply Dealers Association of America.
15-18....	Birmingham...	National Electric Light Association (Southeastern Division).
16-17....	St. Louis.....	American Institute of Accountants.
16-17....	Omaha.....	Farm Mortgage Bankers Association of America.
16.....		National Publishers Association, Inc.
16-19....	Santa Barbara...	Pacific Coast Gas Association.
16.....	Montreal.....	Scale and Balance Manufacturers Association.
16-18....	New York.....	Track Supply Association.
17-20....	Baltimore.....	American Industrial Lenders Association.
17.....	Buffalo.....	National Wood Chemical Association.
17-20....	Chicago.....	Railway Equipment Manufacturers Association.
18.....	New York.....	National Association of Hat Manufacturers.
18-20....	Philadelphia...	National Knitted Outerwear Association.
19.....	Cleveland.....	Electrical Manufacturers Council.
22-25....	Chicago.....	Advertising Specialty Association.
22-26....	Atlantic City...	American Bakers Association.
22-24....	New York.....	Association North American Directory Publishers.
22-24....	Cincinnati...	Grain Dealers National Association.
22-24....	Cleveland.....	Investment Bankers Association of America.
22-26....	White Sulphur Springs.	National Association of Casualty and Surety Agents.
22-26....	Washington....	National Association of Retail Druggists.
22-26....		National Wholesale Druggists Association.
Wk of 22..	West Baden Springs.	Carriage Builders National Association.
23-26....	White Sulphur Springs.	International Association of Casualty and Surety Underwriters.
23-25....	Atlantic City...	Western Insurance Bureau.
25-27....	Philadelphia...	International Association of Electrotypers.
25.....	Boston.....	Paint and Oil Club of New England.
29-Oct. 2..	Chicago.....	American Bankers Association.
29-Oct. 4..	West Baden Springs.	Association of Electragists.
29-Oct. 1..	Milwaukee....	International Association of Milk Dealers.
29.....	Atlantic City...	Laundryowners National Association.

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Echoes from An Empty Congress

THE SENATE Committee on Agriculture and Forestry, sitting on the question of what to do with Muscle Shoals, fell into a friendly chat with Dan E. McGugin, who represented the Tennessee Manufacturers' Association, which, it may be inferred, did not take kindly to Mr. Ford's offer. Mr. McGugin began it:

This is one of the hardest jobs I ever had. The Ford offer is tremendously popular in Nashville and there is considerable feeling about it.

In Which Dixie's Praises Are Loudly Chanted

You don't get any pleasure out of doing an unpopular thing even though you are certain you are right. I was born and raised in the North, but have been in the South for 20 years. I was a teacher for a time in Vanderbilt University. My hobby consists in coaching the Vanderbilt football team in the fall. That is my hobby.

THE CHAIRMAN: Well, I will be a little careful with you.

Mr. McGUGIN: Now, I married there and raised my children there and expect to live and die there. No man could get me away from the South. I believe I am loyal to the South. I know I am, because I think sometimes the man who voluntarily elects to go to a place becomes more a part of it than really the man who has been raised there. This thing has been so tremendously popular, this Ford offer, in the South, that there is a tendency to criticize the motives of anybody who is against it. . . . Some of these days this southern section, with its English-speaking stock, may be of great use. . . . Not that we are prejudiced against any other race, but you go into the hills of Tennessee and Kentucky, and you will find used there the language of Chaucer, and you will catch English phrases right now, including the use of the letter "h."

SENATOR RANDELL (La.): The same character of people have done wonderful things; they have built up, with most marvelous success, cotton mills in North Carolina. It has been one of the wonders of recent years, the way those people have gone in from the mountains of Tennessee, Kentucky, Virginia, and the Carolinas and served as laborers in those mills and made the most marvelous success of any place I know of in the United States in manufacture.

Mr. McGUGIN: Yes; and where they have the opportunity, Senator, they become craftsmen of the first order.

SENATOR RANDELL: They certainly do.

THE CHAIRMAN: Senator, if at the beginning we had turned the power of that country, North Carolina, over to some one corporation, without any regulation, you would not have that kind of country.

SENATOR RANDELL: I don't believe we would, Senator Norris. Although some northern capital has gone in there, it has been very largely done with southern money. I am proud of that fact.

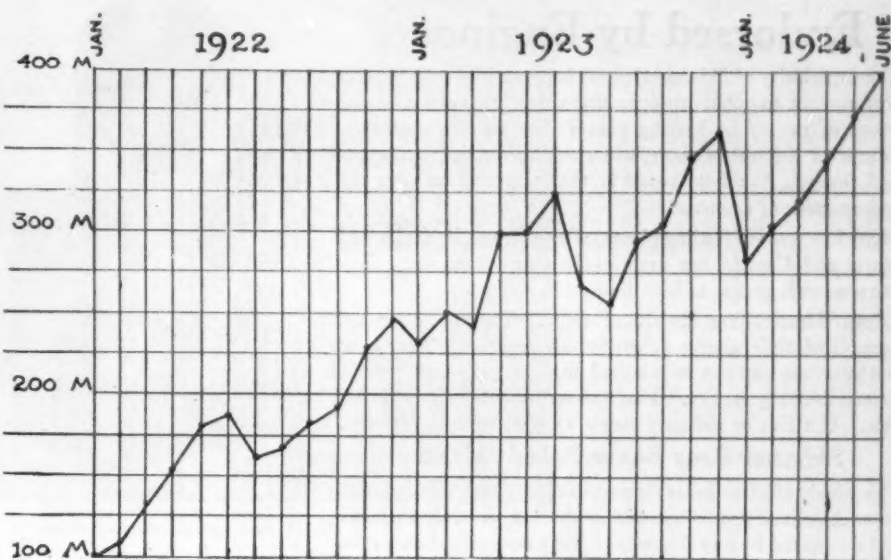
Mr. McGUGIN: And southern enterprise. There is a false idea floating around that the South hasn't any enterprise. It can be said, also, that they don't have any soup kitchens or bread lines, and there were no funerals to Lenin, as were held to the extent of about 2,000 in other sections.

SENATOR RANDELL: Southern money and southern enterprise. . . . We thought those hill people could not work, did not have sense enough to do anything. They have done wonders, they have been marvelously successful.

Mr. McGUGIN: I am a northern man by birth, and I don't want to throw off on the North. . . .

SENATOR KENDRICK (Wyo.): . . . You and I have changed sides on this proposition. I was born and raised in the South and went North, while you were born in the North and went South. I think it ought to be said that neither of the states to which we have migrated could be held responsible for our going.

Increase 300 per cent



Upward and Upward

The graph shows the increase in advertising lineage of The Christian Science Monitor from January, 1922, to June, 1924, inclusive.

If this newspaper did not prove its value as an advertising medium, could this upcurve have been maintained for two years and a half?

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at Your Service, to Show You What
the Monitor Can Do for You—or, if
You Are an Agency Man, for the
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The Christian Science Monitor

An International Daily Newspaper

Member A. B. C.

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New York.....	270 Madison Ave.	Kansas City.....	705 Commerce Bldg.
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Skinner Bros.

Baetz Patent HEATING SYSTEM

Endorsed by Engineers

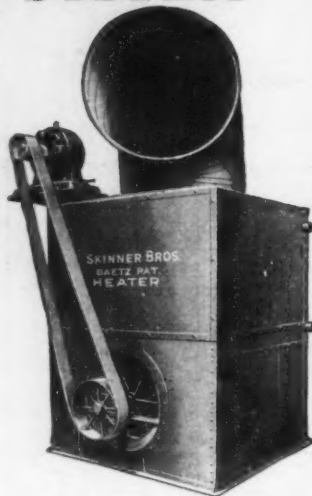
The superiority of Skinner Heaters is proved by their regular performance to cut down operating cost. It is the constant waste of money in heating plants that worries engineers. Whenever the test is made, when strict investigation is carried through, the final result is that merit alone wins the endorsement of engineers.

Many hundreds of leading plants, of every type, in the United States and Canada, are users of Skinner Heaters and they know what it means to heat best and cost less.

Skinner Heaters are individual units. They are effective, because of their simple scientific construction. They heat and ventilate and can be adapted to practically any type of air-conditioning service. Fan operated by any power available. Use live or exhaust steam at high or low pressure.

Skinner Bros Baetz Patent Heater

This highly efficient heater is portable, requires no foundation other than good floor construction and can be easily installed and connected by any shopman. Very economical and even



Skinner Bros Baetz Patent Heater. Steam Coil type S-C. uses live or exhaust steam



Skinner Bros Patented Direct Fired Heater D-F type, where steam is not available.

in most severe weather requires only a few hours' operation morning and afternoon to provide correct working temperature through the day. No sheet metal ducts or outside pipes are used as warm air carriers, hence the cost of this equipment is totally eliminated and the space it occupies can be devoted to more useful purposes. Constructed in both the floor type, as illustrated, and the inverted type for overhead suspension. Completely assembled before shipment.

Skinner Bros Patented Direct Fired Heater

For plants, factories, mills or buildings where steam is not available. Operates upon the same efficient, economical principle as the steam-coil type. Special deflector plate over firing chamber provides maximum heat generated in conjunction with new type smoke condenser. Skinner Bros Baetz Patent Heaters and Skinner Bros Patented Direct Fired Heaters are fully guaranteed when installed as directed by our engineers.

Consult Our Engineers

Our staff of experts is particularly experienced in planning and designing of heating and ventilating systems. Our service is at your command and without obligation.

SKINNER BROS MANUFACTURING CO., INC.

HOME OFFICE AND FACTORIES: EASTERN OFFICE AND FACTORIES:
1430 S. Vandeventer Ave., St. Louis, Mo. 120 Bayway, Elizabeth, N. J.
Sales Offices and Branches in All Principal Cities

WHAT MAKES A RAILROAD RATE?

More than merely cost plus profit. There are other elements—matters of public policy, of fair play for rival sections and rival industries. All these factors that make competing rates different from figuring the price of shoes are entertainingly told in the

October NATION'S BUSINESS

by Robert S. Henry

who is both a writer and a railroad man.

SENATOR RANDELL: And neither state has been injured by the representative who went there.

THE CHAIRMAN: I don't know whether that would apply to the South—men concealing their prior life—but it does to the West, in Wyoming, where Senator Kendrick comes from; they never tell what they did before they went there. I notice he has not told you where he was born.

MR. MCGUGIN: I know where he was born, though.

SENATOR KENDRICK: Mr. Chairman, this is not an experience meeting.

THE CHAIRMAN: No; you are not required to tell.

Again, in the same committee, Senator Ransdell was interrogating Mr. James R. Garfield, and was guilty of some omissions which caused him to be interrogated in turn:

SENATOR RANDELL: Would it, in your judgment, be more conducive to the national welfare to have a great city,

Birmingham's Peril Should Ford Get Muscle Shoals a great industrial community, builded up there, coming in competition with many other industrial communities, or to

disseminate all the power not needed for fertilizers throughout that great eastern and southeastern section that you have described, not alone to the small towns and small cities, because there are not many big ones down there, except New Orleans, but the rural communities as well? Wouldn't that do more for homes and home building? Had we not better build them up in the country and in the small communities, rather than in Sheffield and in Florence?

MR. GARFIELD: My opinion on that, Senator, is entirely in harmony with the latter view you expressed. I think the distribution of this power through the country generally, and the building up of the smaller communities is of far greater importance than the creation of a new industrial center.

SENATOR RANDELL: The nation would be happier and better.

MR. GARFIELD: That is my opinion.

SENATOR RANDELL: And made more prosperous.

SENATOR HEFLIN (Ala.): Who authorized the Senator to throw out Atlanta and Birmingham when talking about cities?

SENATOR RANDELL: Well, they are pretty good villages compared with New Orleans.

THE CHAIRMAN: Birmingham will be only a village if Ford should get this. He would build up a city that would put Birmingham off the map.

SENATOR HEFLIN: It looks like Ford will make things hum if he does get it.

THE CHAIRMAN: He will in that locality. There is no doubt but that if he does Birmingham will be out in the country.

SENATOR STANFIELD (Ore.): Did I understand the Senator to say that the Senator from Oregon had borrowed large sums

Borrowed or Not Borrowed? That Is the Question of money or any sum of money from the War Finance Corporation?

SENATOR HEFLIN: I say that it is talked about here that the Senator is one of those who did.

SENATOR STANFIELD: I want to disabuse the mind of the Senator from Alabama and say to him that the Senator from Oregon never borrowed one dollar from the War Finance Corporation, because he never needed to do it. . . .

SENATOR HEFLIN: Does not the record show that the company in which the Senator is interested borrowed money from the War Finance Corporation?

SENATOR STANFIELD: It does not show anything of the kind. It does show that the Senator from Oregon, through a company that was organized for the purpose of relieving the agricultural interests out there, did put all his resources back of it, and his company endorsed the paper that loaned money to thirty-odd stockmen and agriculturists there, but the Senator from Oregon never got a dollar of it, not a dollar. I



When There's a Big Shoe Order on the Other End of the Wire

Endicott Johnson Corporation make 130,000 pairs of shoes a day. The Sales Department, accordingly, cannot afford many lost moments.

When calls come over the telephone concerning orders, the sales executives have ready information on shipments, stock, etc., at their finger tips via the P-A-X.

While the outside caller holds the city wire, the executive dials the P-A-X phone which gives a direct, instant and accurate connection with any individual or department of the organization. No operator to cause delay or give wrong numbers. No necessity of calling back. Quick and complete service like this builds business and goodwill for Endicott Johnson and nearly 2,000 other P-A-X equipped organizations.

For 24 hours a day the P-A-X handles all inter-communication calls with dispatch and precision. It saves money, not only because saving time is saving money, but because it dispenses with the services of one or more switchboard operators. Besides Interior Telephony, the Automatic Electric Services of the P-A-X include and co-ordinate Code Call, Conference Wire, Executives' Priority Service, etc.

Automatic Electric Company

Originators of the P-A-X. For more than 30 years the engineers, designers and manufacturers of the Automatic Telephone in use the world over. Home Office and Factory, Chicago, Ill. Branch Offices: NEW YORK, 21 East Fortieth Street; CLEVELAND, Cuyahoga Bldg. Representatives in all principal cities. In Canada—Address: Northern Electric Co., Ltd., 121 Shearer St., Montreal, P. Q. Abroad—Address: International Automatic Telephone Co., Ltd., Norfolk House, Norfolk Street, Strand, London, W. C. 2, England. In Australia—Address: Automatic Telephone, Ltd., Mendes Chambers, Castlereagh Street, Sydney, Australia.



The P-A-X is similar to the Automatic Telephone equipment being so widely adopted for city service. It augments and completes but neither supplants nor connects with local or long distance telephone service.

★ ———— **P-A-X** ———— ★
TRADE MARK
PRIVATE AUTOMATIC EXCHANGE

When writing to AUTOMATIC ELECTRIC COMPANY please mention the Nation's Business



Does Your Shafting Turn as the Bullock-Cart Bearings?

WOOD grinds against wood when the wheels of the bullock-cart roll slowly over the road.

And metal grinds against metal as your factory shafting turns in its plain bearings.

For bullock-cart axle and plain bearings are built on the same antiquated principle. Friction reigns supreme on their long bearing surfaces.

Oil—more oil—and yet more oil is demanded to help your overworked power plant keep all the wheels of your factory humming. Little wonder then that your power costs are high. Overcoming friction is expensive when friction is low—and when friction is high, costs mount in proportion.

Skayef Self-Aligning Ball Bearing Hangers will decrease the power used and lower your upkeep costs, because they practically eliminate friction. Through the savings they afford they often pay for themselves within two years time. Let our engineers estimate on Skayef Bearing Hanger equipment for you.

For Nearest Distributor See MacRae's Blue Book

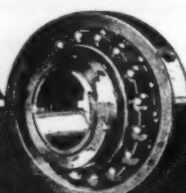
1215

SKAYEF

Self-Aligning Ball-Bearing HANGERS

THE SKAYEF BALL BEARING COMPANY

165 Broadway, New York City



Made Under
SKF
Supervision

**NOTE: Tear this out
and send it to a business friend**

To the United States Chamber of Commerce,
Washington

Send me the NATION'S BUSINESS, your official monthly publication, beginning with the SEPTEMBER number. Bill me later for \$7.50 for the three year term-subscription (OR: I enclose remittance with this coupon).

NAME.....

ADDRESS.....

CITY AND STATE.....

When writing to THE SKAYEF BALL BEARING COMPANY please mention the Nation's Business

stand proud of the record of what I did, and it cost me a great deal.

SENATOR HEFLIN: Did not the War Finance Corporation loan some money to corporations or companies in which the Senator was interested?

SENATOR STANFIELD: Not a dollar. I want to qualify that for a moment. . . .

SENATOR HEFLIN: I think the Senator had better qualify it.

SENATOR STANFIELD: For the money that was loaned, the Senator from Oregon endorsed the paper to go to save people that owed him money, and helped them in that way, and, of course, indirectly that would help the Senator from Oregon.

SENATOR HEFLIN: That is what I thought.

SENATOR STANFIELD: It is very unkind and very unfortunate that the Senator from Alabama should have brought up that question at this time. It is very unfair of him to have done so.

SENATOR HEFLIN: Not at all. The Senator from Oregon was proper in wanting to qualify that statement. I was under the impression that the Senator obtained some of that money, and by his own confession he admits it.

SENATOR STANFIELD: No; the Senator from Oregon does not admit anything of the kind; and it is unfair for the Senator from Alabama to stand there and attempt to attack the Senator from Oregon in such a way as that.

SENATOR HEFLIN: I am not attacking the Senator.

SENATOR STANFIELD: It is most unkind and most unfair, and I am astounded at the Senator from Alabama, who usually is very fair in the statements that he makes in debate.

SENATOR HEFLIN: The Senator from Alabama desires to be fair, but I understood the Senator to say that some of the companies, by giving notes and he endorsing them, got the money to pay him what they owed him.

SENATOR STANFIELD: In order that they might save their integrity. I admit a selfish interest to that extent. I do not deny that. . . .

SENATOR HEFLIN: Well, that is what I mean.

SENATOR STANFIELD: However, Mr. President. . . .

SENATOR OWEN (Okla.): Mr. President, I call the Senator to order. It is a violation of the rule of the Senate to impute to another Senator improper motives.

SENATOR HEFLIN: I agree with the Senator from Oklahoma. I must hurry on and finish my remarks.

THE PRESIDENT PRO TEMPORE: The Senator from Oklahoma makes a point of order which is well taken, and the Senator from Alabama will proceed in order.

SENATOR HEFLIN: The Senator from Oklahoma had reference to the Senator from Oregon. The Senator from Oregon is not the only one that is talked of with reference to having borrowed money out of the War Finance Corporation. . . .

SENATOR GOODING (Idaho): I want to remind the Senator from Alabama that I offered a resolution here asking the Senate to make an investigation of what money I borrowed from the War Finance Corporation, and it did not make the investigation. . . .

SENATOR GLASS (Va.): . . . Does the Senator from Idaho say that he borrowed any money from the War Finance Corporation?

SENATOR GOODING: I want to say that I was interested in a corporation that did borrow money.

SENATOR GLASS: Then I want to say that the Senator did something that a Federal statute especially prohibits and for which it provides a fine of \$3,000 against the Senator.

SENATOR HEFLIN: I want to finish my remarks. SENATOR GLASS: If the Senator makes that admission, I am going to ask that the committee report out his resolution and proceed with the investigation.

SENATOR GOODING: I shall be delighted to have the Senator do that.

SENATOR GLASS: I shall do it.

SENATOR GOODING: I hope the Senator will do so. I want to find out whether I can. . . .

THE PRESIDENT PRO TEMPORE (rapping for order): Senators will be in order.

SENATOR HEFLIN: I am doing my best to pour oil on the troubled waters.

THE PRESIDENT PRO TEMPORE: At the next manifestation of pleasure or displeasure in the galleries the Chair will order the galleries cleared. The Chair desires that this shall be impressed on the minds of those who occupy the galleries. If there are any more such demonstrations in the galleries, the Chair will direct the Sergeant-at-Arms to clear the galleries.

SENATOR HEFLIN: Oh, Mr. President, I think the occupants of the galleries ought to be permitted to laugh at some of the very amusing things that transpire here.

THE PRESIDENT PRO TEMPORE: The Senator from Alabama knows that these manifestations are prohibited by the rules of the Senate and it is the business of the presiding officer to enforce the rules of the Senate.

SENATOR HEFLIN: I understand that. I meant that they might be permitted to indulge in a low laugh. . . .

Mr. Sinnott (Oregon), speaking on the Haugen-McNary bill, demands to know—

What answer do the farmers of the West and Northwest get from New England? New England, smug, condescending, and patronizing—I will not say Pecksniffian. From the pinnacle of her prosperity, she looks down from the top of the protection ladder at the farmer trying to climb up, and what does she tell him through Mr. Luce? O, Luceat Perpetua. He tells the farmer to stay down there; "I am coming down myself." The farmer does not want the gentleman from Waltham, where Waltham watches are made, to come down the ladder; the farmer only asks the privilege of climbing up to you on the under side of the same ladder.

Poetry Is Quoted to Picture Farmer's Plight

The poet tells us—
He raised a mortal to the skies,
She drew an angel down.
The farmer wants to raise a mortal to the skies; he does not want to draw an angel down. . . .
Then we have Mr. Voigt, with all his ridicule of this bill. . . .
In hog logic he's a great critic,
Profoundly skilled and analytic;
He could sever and divide
The tail twist north and northwest side.
Then take the tone of voice of the gentleman from Kentucky (Mr. Kincheloe) . . . He predicted everything direful and foreboding in a tone . . .
... whose lightest word
Would harrow up thy soul, freeze thy young blood,
Make thy two eyes, like stars, start from their spheres.
... He says that in the equalization fee or receipt the farmer will get only a rain check. Well, the farmers in my district would sooner have a rain check than the mere chance of seeing the next ball game through a knot hole in the fence. . . . Gentlemen, in deliberating on this bill, I want to commend to you what Bacon, the great philosopher and scientist, once had to say about those who are always inclined to take the negative side:
"Generally, such men in all deliberations find ease to be of the negative side and affect a credit to object and forestall difficulties, for when propositions are denied there is an end to them, but if they be allowed it requireth a new work, which false point of wisdom is the bane of business."

Mr. Aswell (La.) has this to say about it: I have been forced to the deliberate judgment that this bill is unsound, unworkable, full of Bolshevism, purely socialistic, indefensibly communistic.

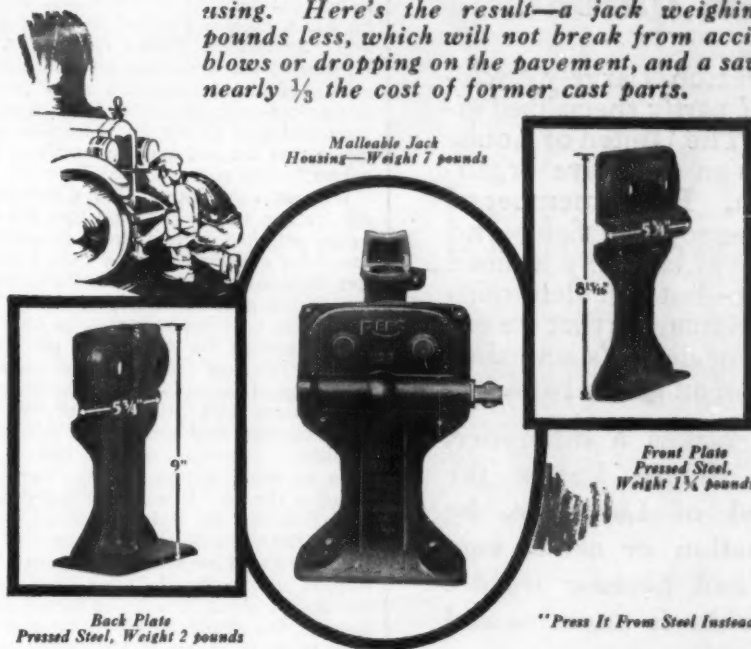
Mr. RAKER (Calif.): Outside of the objections which the gentleman has presented, is the bill otherwise all right?

Mr. ASWELL: Except that it is unconstitutional, unworkable, impracticable, socialistic, communistic, bolshevistic, and would enslave the farmers; otherwise it might be all right.

Did You Ever

Jack Up Your Car? Then you will agree that an automobile jack should be simply made, easy working, but strong and sturdy.

In order to give his product this necessary lightness and the required strength a certain manufacturer of jacks turned to us for pressed steel parts to replace cast parts he had been using. Here's the result—a jack weighing $3\frac{1}{4}$ pounds less, which will not break from accidental blows or dropping on the pavement, and a saving of nearly $\frac{1}{3}$ the cost of former cast parts.



Doubtless you do not make jacks, but if you are using cast parts anywhere in your product you owe it to yourself to find out what saving pressed steel will make for you—and what advantages it can add to your product.

Here's How We Go About It

Simply write us that you are interested. If you can do so, send blue prints or sample parts.

At your convenience one of our consulting engineers visits you to study the situation right on the ground.

This man is a member of our staff of highly trained redevelopment pioneers and he knows all the ins and outs of pressed steel replacement from actual experience on scores of successful redevelopment jobs at our plant. This plant, located in the heart of the steel district, is backing him up with complete facilities for producing the most intricate pressed steel parts, large or small.

And Here's How He Analyzes Your Problem

1. Can the cast parts used in your product be pressed from steel instead?
2. If not, can they be redesigned to permit pressing from steel instead?
3. Would pressing from steel instead make a better product and reduce cost of production and shipping?

He quickly tells you so if he finds pressed steel will not be useful to you, and you are in no way obligated.

But if he finds pressing from steel instead will be an advantage to you our engineering department at once under-

takes the development of the replacement.

Drawings of proposed designs are submitted—still without obligation.

If approved, our force of die-makers and press men starts the actual work of pressing it from steel instead for you.

This unusual service is at your disposal NOW

THE YOUNGSTOWN PRESSED STEEL COMPANY
Warren, Ohio

Show this story to your designing engineer.

The United of Louisville puts your debt-or on a paying basis quicker

The reason is largely *psychological*, partly specialized effort. The United of Louisville is an extensive organization. Every member of the personnel, field and office, a carefully trained expert—but our determining advantage is that we enjoy your debtor's acquaintance on an *official* basis.

That makes a difference. Your debtor knows the United of Louisville, by reputation or actual contact, and because we are official he is attentive and responsive.

He knows that we help rather than harm him, and we get a quicker response. It is due to this prestige that we are able frequently to secure satisfactory settlements from difficult debtors without cost to you.

Then, too, in extreme cases where the account runs thru our entire procedure, you will find our cost lower per dollar of return. We sell your Credit Department to your debtor and save your investment in your debtor's good will. That is worth something to you.

We hold the business of more than four thousand leading manufacturers and national distributors by doing this one thing better than any other organization. Start with us today and you, too, will find our service helpful.

UNITED MERCANTILE AGENCIES

Louisville, Kentucky

United Building

Collectors for Manufacturers
and National Distributors



OPINION has it that the filing of a suit by Attorney General Stone against fifty of the most important oil companies has the color of a political play. *Commerce and Finance* says, "it has a decided political flavor of trust busting"; *Automobile Topics* quotes Mr. Mitchell, director of the Texas Co., as characterizing "the attack of the Government as a political maneuver"; *Petroleum World* looks upon "the coincidental time chosen for the action as an indication that the suit may be largely of a political nature." The suit was filed June 25.

Without commenting, *The Chronicle* presents the facts in the case, stating that the companies "were attacked in anti-trust proceedings," the complaint alleging that they "are seeking to export huge sums from the manufacturers of gasoline in the guise of royalties" from "a number of patents covering unimportant improvements" to the process for "cracking" gasoline.

The "cracking" process is described as the subjecting of the residue after distillation to high temperatures and pressure, thereby "cracking" the molecules into the lighter substance called gasoline.

As to world sources, no one seems to know who has the oil. It sounds like a game of Button! Button! Sir Robert Waley Cohen, of the Royal Dutch Shell, is quoted by *The Manchester Guardian Commercial* as saying: "The production of the Royal Dutch Shell group is at the rate of about 100,000,000 barrels per annum, that of the Standard Oil companies combined may be taken at about 150,000,000 barrels, and that of the Anglo-Persian-Burmah group at about 35,000,000 barrels. The total of these three—285,000,000 barrels—still leaves about 715,000,000 barrels, or roughly 71 per cent, of the world's production, to be accounted for by producers independent of these big organizations."

Then Sir Edward M. Edgar, British petroleum expert, "figures," says *Petroleum Age*, "that within ten years the United States will be importing 500,000,000 barrels yearly from England or her possessions"; and "from another English source we learn that the estimated supply of crude in the world is only 60 billion barrels and that 53 billions is controlled by Britain."

Oil, Paint and Drug Reporter thinks such figures must be taken "from the cost sheets of the late war or the 'change records of the mark.'"

Speaking of surplus production in this country *Petroleum Age* says that this condition continued from 1923 into 1924 "until the tanks and reservoirs of California now hold a total of about 97,000,000 barrels of oil. But now we seem to be on the threshold of another phase. Production is falling . . . supply and demand are approximately in balance." Yet this is no reason to predict exhaustion of our resources.

Farmers and Market System Share Responsibility Alike

FAILURE of Congress to make any provision for farm relief disappointed thousands of farmers whose experiences in trying to make some profit or even to cover expenses have reduced them to despair. But what is the trouble with farming?—the non-agricultural citizen wants to know. *The Washington Farmer* says the trouble lies with the farmer, not with farming. "Marginal land and the marginal or the less efficient farmer are being forced out of the race," says this journal, quoting the United States Bureau of Agricultural Economics report for April.

Who is this fellow, the marginal farmer? And what are marginal methods? Marginal farmers are those who occupy that nervous No-Man's-Land between prosperity and failure, and

the methods are those of Good Enough by which many of them got there. "He who is satisfied," pursues the paper, "with the average acre yield, the average cow, the average hen or any other unit of average production, will find future going harder and more uncertain. . . . The average of our farm folk are not yet in the right state of mind to be receptive to those things which the best farmers and agricultural leaders know to be more essential, even to fair success, than ever before. . . . Perhaps we may feel that only in the face of near failure will we get the average man to work in accordance with—and not uncognizant of—" economic law. This journal looks to co-operative organizations to better the marketing system for the farmer but thinks that is only half the job—"the other half rests with the individual, the producing farmer."

American Grocer gives us some interesting figures on that half of the job that lies with co-operative organizations, however: "Nearly 700,000 farmers comprise the membership of 41 farmer-controlled associations marketing tobacco, cotton, grain, and rice, according to reports to the United States Department of Agriculture. . . . One grain-marketing organization reports 63,000 members, and the largest rice association 1,300 members."

The Iowa Homestead brings the force of census figures to offset criticism against farmers: ". . . farm labor was about 18 per cent more efficient during the decade ending in 1920 than during the preceding decade. This was brought about largely through the employment of more and better farm machinery. More land was tilled per man in 1920 than in 1910. The average crop area per worker in 1920 was 29.4 acres, as compared with 25.2 acres in 1910, showing an increase of nearly 17 per cent."

Huge Grain-Marketing Group Offers Stock to Farmers

"THIS is the greatest cooperative marketing experiment ever undertaken," says *Commerce and Finance*, of the new Grain Marketing Co. formed at Chicago. The gigantic organization "is capitalized at \$26,000,000"; it plans to own or control "5,000 elevators in the United States with a total storage capacity for three-quarters of the market portion of our annual crop . . ." and "elevator space in fourteen great grain centers with an aggregate capacity of 50,000,000 bushels."

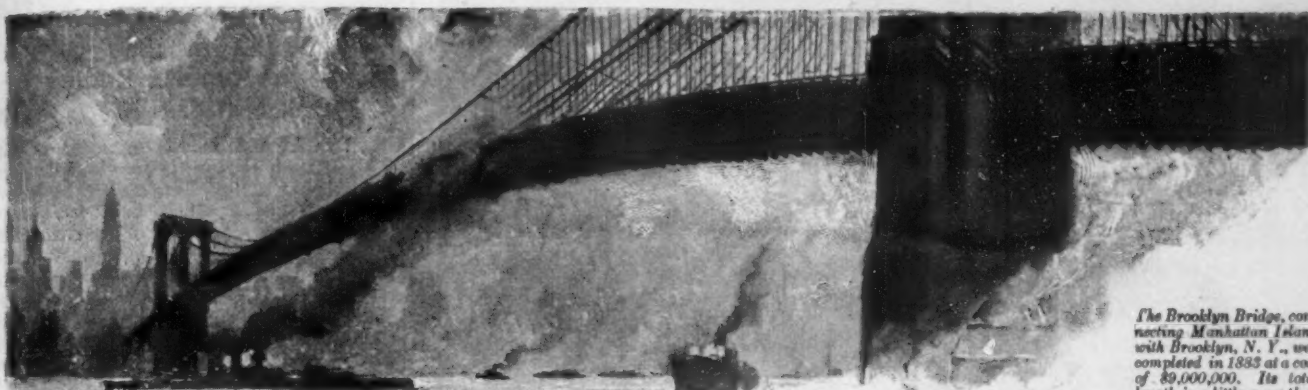
On the board of directors of ten are the names of three grain farmers, the president of the American Farm Bureau Federation and one of the vice-presidents, besides various officers of farmers' elevator associations and grain growers' associations. The nucleus of the company is formed of "the five largest grain elevator companies holding memberships on the Chicago Board of Trade."

It is expected that farmers will eagerly take up stock at 8 per cent interest, plus a possible dividend out of savings effected.

But *Wallace's Farmer*, in an editorial headed "Greeks Bearing Gifts," soliloquizes thus: "Wouldn't it be a clever idea for them to fix up some sort of a contraption bearing the co-operative label, give it to the farmers and have a time-clock planted inside so as to blow up in the faces of trusting agriculturists at the right time?"

The Prairie Farmer sees the lion and lamb lying down together but says "the question is—Is the lamb inside the lion?" The new organization "will have a restrictive influence on radical legislation," comments *The Price Current-Grain Reporter*.

Gray Silver, Washington representative of the



The Brooklyn Bridge, connecting Manhattan Island with Brooklyn, N. Y., was completed in 1883 at a cost of \$89,000,000. Its total length is a little more than a mile.

Where lead is a shield for steel

STREAKS of red stand out against the sky. Tiny figures suspended in mid-air cover the steel cables of the bridge with red-lead.

Lead is the shield that protects the steel cables, girders, and beams from rust and prevents the bridge from becoming a death-trap. It keeps the bridge strong today, strong tomorrow, and for years to come.

This is only one of the many ways in which lead constantly serves you and guards your safety. You do not always see lead in use. But as red-lead in paint you see it on metal surfaces everywhere. Red-lead is the standard protection for iron and steel. It is used either in its natural orange-red color or tinted to dark colors.

Nearly twenty million pounds of red-lead are applied to metal every year in this country. Yet this is not enough. Rust still destroys millions of tons of steel. Between 1860 and 1920 the world's output of iron and steel was about 1,860,000,000 tons. Of this total it was estimated that 660,000,000 tons were wasted through rusting in use.

Wherever iron and steel are, there red-lead is needed to save the surface. Railroad and gas and water companies use red-lead to protect all their metal structures. They have found from experience that red-lead protection lowers the cost of maintenance.

On ships of the United States Navy and on vessels of all types, red-lead guards hulls, cargo holds, coal bunkers, chain lockers—all metal parts of a vessel—from deterioration due to exposure to salt and fresh water and varying atmospheric conditions.

Mixed with pure linseed oil, pure red-lead makes a paint that dries to a hard, tough layer

and clings tightly to the surface. It is insoluble in water.

Dutch Boy red-lead is the name of the pure red-lead made and sold by National Lead Company. On every keg of *Dutch Boy red-lead* is reproduced the picture of the Dutch Boy Painter shown below. This well-known trade mark guarantees a product of the highest quality.

Dutch Boy products also include white-lead, linseed oil, flatting oil, babbitt metals, and solder.

National Lead Company also makes lead products for practically every purpose to which lead can be put in art, industry, and daily life. If you want information regarding any particular use of lead, write to us.

Further information about lead
We have a special booklet, "Protection of Structural Metal," which we shall gladly send to anyone who is interested. This booklet contains information telling when and how to give red-lead paint protection to iron and steel.

If you desire to read more about the use of lead, not only in paint but also in many forms and for many purposes which will surprise you, we can recommend a number of interesting books. The latest and probably the most complete story of lead and its many uses is "Lead, the Precious Metal," published by the Century Co., New York. Price, \$3.00. If you are unable to get it at your bookstore, write the publishers direct, or we shall be glad to place the order for you.



NATIONAL LEAD COMPANY

New York, 111 Broadway; Boston, 131 State St.; Buffalo, 116 Oak St.; Chicago, 900 West 18th St.; Cincinnati, 650 Freeman Ave.; Cleveland, 820 West Superior Ave.; St. Louis, 722 Chestnut St.; San Francisco, 485 California St.; Pittsburgh, National Lead & Oil Co. of Pa., 316 Fourth Ave.; Philadelphia, John T. Lewis & Bros. Co., 437 Chestnut St.



Thanks, Jimmie!
You've made quick
time Fill mine.

Drink

Coca-Cola

Delicious and Refreshing 5¢

The Coca-Cola Company, Atlanta, Ga.

REFRESH YOURSELF AT OFFICE OR
WORKSHOP AS WELL AS AT FOUNTAINS

Unemployment

WHAT can business do to prevent or at least to lessen unemployment, both the unemployment due to seasonal demand and that due to general business depressions?

HENRY S. DENNISON, of the Dennison Paper Company, discusses these questions in our next number.

Dependable Figures in a Hurry—Not Hur- ried Figures

Inventories figured, checked, classified and summarized quickly, accurately and economically, at hourly rate, or contract, in your or our offices, by an organization of capable public calculators. Ask for details.

ATLAS CALCULATING SERVICE
19 W. Jackson Boul. Chicago

American Farm Bureau Federation, has been elected president of the company, says *The Washington Post*.

Citronella Imports Reported Less to Us, More to Britain

A DECREASE in the shipment of citronella oil from Ceylon to the United States is reported by *Drug & Chemical Markets*, while to Great Britain shipments have increased nearly twice as much. To most of us, citronella means mosquito protection and one would immediately jump to the conclusion that mosquitoes were thinning out in the United States, hence a slackening in the citronella demand. But we find that citronella is "a species of grass cultivated in Ceylon, which yields an oil used in perfumery," so it is evidently a slump in scents that has occurred rather than a decline in the mosquito birthrate.

Survey Farm Implement Market Program of Commerce Division

THE Agricultural Implement Division of the Department of Commerce has started its quest—beginning July 1—for a larger field for American goods all over the world, especially, says *Farm Implement News*, "for tractors and tractor implements." This survey is being carried on by means of questionnaires "to 278 field representatives of the United States Government in foreign parts—consular officers, commercial agents, etc." Each of these officials has been asked "to report on conditions affecting the use of tractors in the respective district." Information is sought, among other things, on the size of farms, nature of soil, nature of crops, etc., and also as to the number and type of tractors already in use and what machines are used with them, the size of all such equipment and locality of manufacture, availability and cheapness of fuel, appropriate sales methods, and, finally, "lists and full particulars covering dealers and prospective dealers in tractors."

Mistress Columbia, Tell Me Do: How Do Your Exports Grow?

ONLY "in corresponding seasons during the war and early post-war years" have exports and imports exceeded their present high monthly totals, says *The Industrial Digest*. The journal gives us the ranking of the states, export statistics for this classification being available now for the first time: "New York State leads, with Texas a close second" because of raw cotton; Pennsylvania, with iron and steel, textiles, machinery, etc., is third, "followed by Illinois" (meat, wheat and flour); New Jersey takes fifth place, and California sixth; Louisiana because of its "commerce with Latin America" comes next, followed by Michigan, with automobiles, and Virginia with tobacco; Washington, exporting lumber and fish, holds tenth place. Any classification of this sort, however, is very approximate, for many products, being shipped from concentration points, lose their original identity, it is pointed out.

"The United Kingdom and Canada are far and away our best customers," says *Manufacturers Record*, in an article reviewing export and import figures, country by country, for the ten months ending April, 1924. Germany comes next, then Japan and France.

The United Kingdom and Canada lead also in providing us with commodities, our next source of imports being Japan, then Cuba, and China.

But *The Commercial and Financial Chronicle* states that for the month of June "exports and imports . . . were smaller than for the preceding month . . . in fact, June exports were smaller in value than for any month in nearly two years excepting only the months of February and July, 1923, and the same is true of imports, the exceptions . . . being October, 1922, and August, 1923. . . . The increase in the value of

merchandise exports for the past fiscal year has amounted to 9.0 per cent," mainly due to raw cotton.

"United States' foreign trade amounts to \$22,650,000 per day," announces *Automotive Industries*, and has been running to that figure for ten years. The statement was made by James A. Farrell, president of the United States Steel Corporation and chairman of the National Foreign Trade Council. "Mr. Farrell thinks we ought not to delay foreign trade activities until the return of European prosperity."

Silk gives us some hints as to how a "very respectable" export trade has been built up. "It has been built by care and infinite attention to details; by giving the man . . . what he wants, as he wants it; by keeping agents in foreign countries who understand the language and the needs of the country and are on the spot to attend to them; by keeping a competent staff here who can reply to letters of inquiry in the language in which they are written; and by sending goods up to standard, and correcting promptly any mistakes in shipment that may have been made."

Trade Reports About Russia—

Coal, Sugar, Platinum, Lumber

RUSSIA offers the greatest trade opportunities in the world: Russia offers nothing in trade opportunities. Economic conditions in Russia are in a prosperous state: Russia is on the rocks and a hopeless wreck. Such are the contradictory reports in regard to this great and problematical country. *Coal Age* gives some figures on production in the Russian coal basins of Donetz, Moscow, Ural, Kuzbas and Chermkhov, showing a gain of 46.4 per cent, gross output, over the previous year. "The net output was 174,673,000 poods [a pood is about 36 pounds] compared with 103,349,000 poods for a similar period in the preceding year, an increase of 69 per cent. The greater increase in net output is due to a reduction in allotments to the miners . . . On Oct. 1 last there were 602 coal-mine enterprises employing 168,293 workers under the management of the Supreme Council of National Economy. Of these, 35 enterprises employing 37,842 workers were united in trusts and syndicates. Production in the Maritime Province (Eastern Siberia) at the end of the business year 1922-23 was 90 per cent higher than the pre-war output. The principal mines, those of Suchan and Zybyun, which are operated by the government, produced 22,000,000 poods of coal, while the privately operated mines produced 16,000,000 poods. The selling price of brown coal [lignite] is identical with that prevailing before the war."

The Russian sugar trust seems to be subsidized by the government, its indebtedness to the commissariat of finance amounting on January 1, 1924, to 13,050,000 gold rubles [original value 51.5 cents], according to *Sugar*. Of this sum, says the journal, "about 8,300,000 rubles is excise duty, 3,500,000 rubles a loan granted by the commissariat of finance in November, 1923, and 1,250,000 rubles represents profit unpaid for 1922-23, according to statements in the Russian press." Beet sugar output of the 1923 crop runs to about 359,700 long tons, says the paper, on estimates compiled by the sugar trust and reproduced in *Economic Life*.

Dealers in platinum in the United States, who have worried over the prospect of having a revival of the Russian platinum mining industry, may feel cheered, thinks *Engineering and Mining Journal-Press*, by the statement of the currency department of Moscow that Russian platinum will not be dumped upon the world market so as to demoralize prices and market conditions. "All Russian platinum is now produced through one of the trusts that have been organized by the Soviets. This particular trust is called 'Ural-Platina.' The whole Soviet Russian output of platinum is delivered by Ural-Platina to the Currency Department of the Commissariat of Finance in Moscow, which is in charge of the platinum, and ultimately disposes of it." It is interesting to note that American

WHISKERS IN HIGH ALTITUDES



Many six-day races have been of no consequence since Captivating Clarence learned to climb up along the curved spine of a bicycle that enabled him to look into second-story windows.

As a member of the Cocklebur Century Club, he wore a uniform that made him look like a Royal Fusileer, primed and ready to fusil. The only shooting he did, however, was that which occurred when he shot over his handle-bars.

He alleged that his whiskers enabled him to maintain an even balance and minimized the severity of the impact when he took a header. Also he saved time and reduced nerve-shock by shaving as little of his face as possible.

COLGATE'S

softens the beard at the base

If Clarence could have lathered with Colgate's Rapid-Shave Cream he would have had no reason for limited shaving or for misgivings concerning his equilibrium.

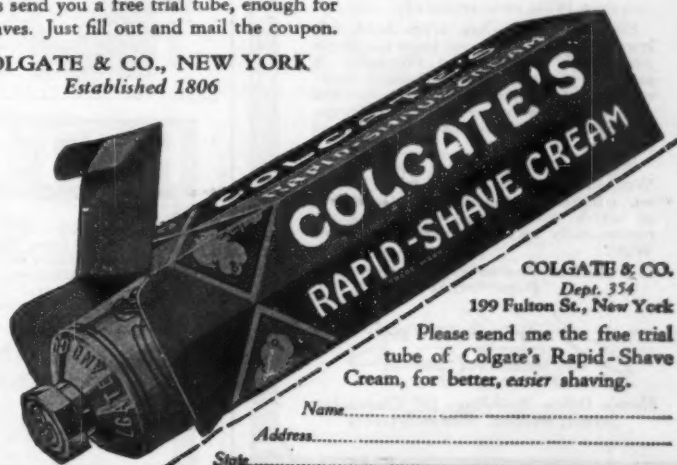
By softening the beard at the base, where the razor's work is done, Colgate's makes shaving easy, and quick.

It needs no rubbing in with the fingers, it abolishes nervous apprehension, and leaves the face cool, soothed, and velvety.

Let us send you a free trial tube, enough for 12 shaves. Just fill out and mail the coupon.

COLGATE & CO., NEW YORK
Established 1806

Large tube
35c



COLGATE & CO.
Dept. 354
199 Fulton St., New York

Please send me the free trial tube of Colgate's Rapid-Shave Cream, for better, easier shaving.

Name.....

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Labor is more efficient in Oakland, California



Read what these leaders say

Oakland has the best year 'round working climate in the United States.

—Charles M. Schwab.

Labor in Oakland plant is by test 20 per cent more efficient than in our Eastern plant, thanks to better climatic conditions.

—Peet Bros. Mfg. Co.

Labor here is twice as efficient. Climate permits testing cars the year 'round, 10 days being the maximum annual loss due to rain.

—Durant Motor Co. of Calif.

In seeking a location for the Pacific Coast plant of the General Electric Company we concluded, after thorough investigation, that Oakland presented the most attractions. Your shipping facilities are superior and you have a bracing atmosphere conducive to work.

—General Electric Company.

Facts like these have brought 49 nationally-known concerns here. For details regarding opportunities in your industry

Write Industrial Department
CHAMBER OF COMMERCE
OAKLAND, CALIFORNIA

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EXPERIENCE shows that few men have made their Wills. At the death of E. H. Harriman, the world was amazed at the brevity of his Will.

He was one of the greatest financial geniuses this country has produced, and yet his Will was one of the shortest complete Wills ever probated.

Its exact form has often been followed by others. If you have not made your Will, you may be interested in seeing a copy of this now famous document, which made provision for the distribution of an estate of millions, and which was effected without legal difficulty.

Shall we forward you a copy of this Will,—with a form of Will based thereon, adapted to the laws of the State in which you reside,—which may be conveniently used in making your own Will?

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MUNN & CO.

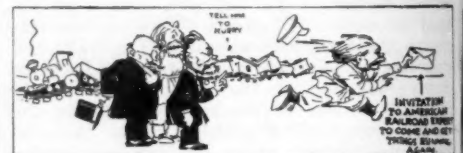
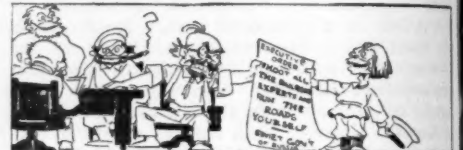
602 Woolworth Building, New York

Tower Bldg., Chicago, Ill.
Scientific American Bldg., Washington, D. C.
Hobart Bldg., 582 Market St., San Francisco, Calif.
Van Nuys Bldg., Los Angeles, Calif.

mining equipment—notably Marion and Bucyrus dredges—is found in the Soviet Russian platinum fields.

"Before the war," says the journal, "Russia produced nearly all of the world's platinum—over 95 per cent." Just at the moment, however, the metal world is excited about a very rich platinum lode discovered in the Transvaal.

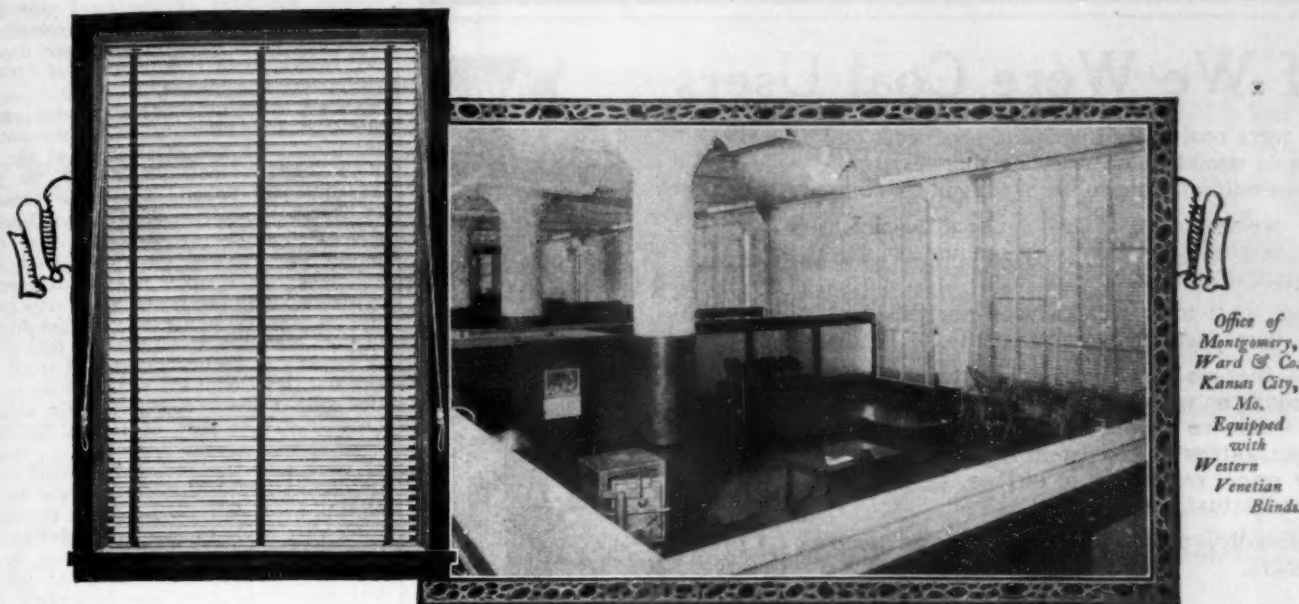
Export Trade and Finance considers "the effect of Russia's economic recovery on American foreign trade . . . a matter of timely interest," not because of possible American trade with Russia, but because "her revival will help in Europe's general recovery, thus increasing the purchasing power of all European countries and indirectly stimulating our European trade along many other lines." The reason the journal does not consider that a great American-Russian trade is likely to develop is that "the United States never had much trade with Russia." And "nothing has happened since the war to warrant hope that these amounts may be increased in the near future. Of the commodities that Russia has to offer all we want are small quantities of furs, hides, bristles, and the like. Her exports are chiefly foodstuffs and other agricultural products, which are badly needed in the industrially developed countries of Central and Western Europe, and nowhere else in the world. Before the war, nearly 90 per cent of Russian exports went to the other countries of Europe; and these countries will continue to be Russia's principal mar-



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kets when she resumes her export trade on an extensive basis."

That an inevitable reaction against the "over-extension of government powers" has set in in Russia, is asserted by *Lumber*: "Private enterprise has shown that it is an indispensable factor in the economic life of that nation, notwithstanding, and now has a gold ruble turnover value about three times that of the state trade establishments . . . Russia's chief interest for the lumberman, however, is in relation to forest resources and the development of competition therefrom in European timber markets. It is a matter of easy recollection that before the World War Russia was a large exporter of lumber and forestry products through the ports—more particularly—of Riga, one or two in Finland, and of Archangel and Murmansk. The subsequently created independent states fringing the Baltic and virtually barring Russia from direct touch with that sea, deprived her of forest areas supplying one-third of her timber exports . . . Exportation under anything like normal conditions as to peace at home and freedom from foreign wars was not,



Office of
Montgomery,
Ward & Co.
Kansas City,
Mo.
Equipped
with
Western
Venetian
Blinds.

Control Daylight and Ventilation with this Modern Blind

THE exact requirements of perfect window equipment are these: to control the admission, distribution and intensity of daylight and to aid in ventilation. Needless to say, window shades have failed in their purpose. They have merely shut out the light and, in doing so, have interfered with ventilation.

Scientific Daylighting

Now, with *Western Venetian Blinds* you can control both daylight and ventilation. They serve a double purpose, and in addition, perform a scientific service in "daylighting" which is not obtainable in other window equipment.

Blinding Glare Eliminated

They are constructed of thin slats of Port Orford white cedar, so ingeniously arranged as to be easily and quickly adjusted to any desired angle. The angle of adjustment controls the degree of daylight. Thus direct glare and bright sunlight are eliminated. All light is reflected to the ceiling, where it is again reflected and diffused, spreading soft, restful daylight throughout the offices.

Free Circulation of Fresh Air

Control of ventilation is accomplished without interfering with "daylighting." Fresh air and cooling breezes are admitted; all air currents are diverted upward by the adjustable slats thus eliminating drafts.

Replace Awnings and Shades

Western Venetian Blinds replace both awnings and shades, because they perform a better service at a lower cost. They are guaranteed to give satisfactory service for twenty years, with only minor repairs. They are easy to install, simple to operate and never get out of order.

This modern window equipment will work a transformation in your office. The pleasant environment created by perfect "daylighting" and an ample circulation of fresh air, will not only be apparent, but will manifest itself in the increased efficiency of office workers.

Mail Coupon for Free Catalog

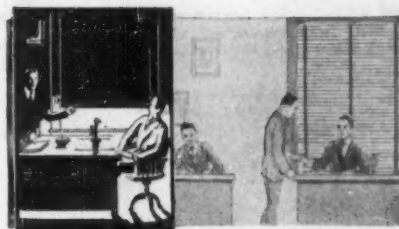
....Thousands of business institutions throughout America are rapidly adopting *Western Venetian Blinds*. And you, too, will want to know more about this efficient, economical window equipment. Mail the coupon now for free catalog.

WESTERN BLIND & SCREEN COMPANY

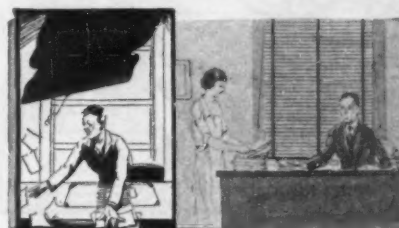
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Texas Agents: Two Republics Sales Service
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Unlike window shades, *Western Venetian Blinds* utilize all window area for lighting purposes. Each ray of bright sunlight is reflected and diffused. Glare is eliminated and soft, restful daylight is evenly distributed throughout the office.



Western Venetian Blinds can be lowered while windows remain open. Heat is minimized. Ventilation is permitted without interference with light control and the annoyance of draft and flying, flapping window shades is avoided.

Western Blind & Screen Co.
Dept. N-1 2700 Long Beach, Ave.
Los Angeles, Calif.
Gentlemen:

Without obligation on my part, please send me your free illustrated 50-page catalogue showing installations of Western Venetian Blinds.

Name _____
Business Firm _____
Address _____
City _____
State _____

Western Venetian Blinds

MORE LIGHT~MORE AIR~LESS GLARE

If We Were Coal Users

If we were coal users instead of producers our demands would be so exacting that few companies would attempt to satisfy them.

First—we would insist that our fuel be *clean*, i.e.—containing the minimum amount of non-combustible matter.

Second—that tests will show an analysis that meets our particular requirements.

Third—that we are assured of positive delivery of as much as we want, when we want it. And lastly—that we have a "hide-bound" contract that guarantees us consistent high quality at a *stable* price, regardless of strikes, tie-ups, or market fluctuations.

Undoubtedly, we would be our own best customers.



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STONEGA COKE AND COAL CO.
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—AND—
SUCCESSOR TO BUSINESS OF
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NATION'S BUSINESS
WASHINGTON

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indeed, had prior to the fiscal year beginning October 1, 1922, in which twelvemonth not far from 61,000,000 poods of rough and dressed timber, equivalent to 1,100,000 tons of 2,000 pounds each, were sent abroad."

Of the state of Russian railways and rolling stock, *Railway Review*—in an account written for them by a special engineer of the B. & O. R. R. and transport officer with the American Expeditionary Forces—says: "The Commissariat of Transport reported that 3,011 railway bridges and other engineering structures were destroyed during the war; of these only 1,481 had been rebuilt by 1923 and 1,500 but temporarily repaired. As to the condition of the permanent way, it was officially estimated that 30,000 miles of track were destroyed, but it is difficult to state that correctly because relaying of track was carried out throughout the whole period in conjunction with military operations. On some of the lines 30-40 per cent of station buildings and other structures were destroyed . . . insufficiency of equipment the government tried to remedy by placing large orders for cars and locomotives abroad, particularly in America. Determined efforts were made to increase production of Russian equipped works, but without much success. In the nine years since the outbreak of war the railway shops have only rarely had their equipment added to or renewed . . . An index to the damage suffered by the railways and the effort necessary to restore them is obtained in the estimate of Russian experts that restoration of line, shops and equipment of lines of primary importance, so they would be able to handle a normal traffic, would cost over 760,000,000 gold rubles.

The figures for engines contrast 13.8 per cent undergoing repair at the outbreak of the war, with 43.7 per cent so disabled in January, 1920. "In July, 1921, over 60 per cent of the engines were lying waiting for the repairs which the shops were unable to effect . . . Of the 480,000 freight cars on Russian lines before the war, but 5 per cent were normally in process of repair." But by July, 1921, the proportion had increased to 30 per cent.

Pigmy Auto the Coming Thing If Cylinders Are Indication

AFTER much desultory talk of "boy-sized" automobiles, there is, says *Automobile Topics*, "considerable evidence that a good share of the driving public would be well satisfied with cars no bigger. . . ." The journal states that "new commercial engines having cylinders of individually smaller content are following each other into the market, year after year, and absolutely making good with the public."

Quick Transit in Mesopotamia Means "Sic Transit" Another Glory

THEY are using motor busses in Mesopotamia, says *Automobile Topics*, three companies operating "weekly convoys to Damascus and Beirut, and these are proving to be very popular among travelers . . . Recently motor connections were established between Haifa, Palestine's principal seaport, and Bagdad, center of the Near East's commercial activities, which has opened this vast land for the sale of Palestinian products and has greatly stimulated business. Because of cheap rates charged by motor lines for passenger and freight service, and still competition they offer to railroads, railroad fares have been greatly reduced."

Across the Syrian Desert

("Yes, sir, you want tickets for two?")

Exit the haughty camel

With his trappings of scarlet and blue.

In fadeout atop the sand dunes

The leisurely caravans pass

With superbly dignified riders

("Ibrahim, step on the gas!").

Over the desert to Bagdad

What visions of Al-Raschid!

Mayhap on a magic carpet—

("The speed cop'll get you, kid!").

Government Aids to Business

To determine the compressive strength of iron ore pillars in mines the Bureau of Standards in one month made 125

Test Strength of Ore Pillars By Compression

compressive tests on specimens of iron ore from the Birmingham district. Some of the specimens were subjected to vibration during the tests by means of a specially constructed device to simulate mine conditions. The tests disclosed strengths that varied from 10,000 to 17,000 pounds to the square inch. The vibration caused no appreciable reduction of strength. Apparatus has been constructed for measuring the elastic properties of the ore, and the lateral expansion caused by compression.

The identification of pulp and paper fibers is considered by the Bureau of Standards in Technical Paper No. 250, obtainable from the Superintendent of Documents, Government Printing Office, at 15 cents a copy.

Identification of Pulp and Paper Fibers

The paper includes a set of colored plates illustrating eight paper fiber compositions as they are seen under a microscope. The fibers shown on the plates are: Rag (cotton and linen); sulphite (coniferous); soda (deciduous); jute, manila, and esparto. The plates are intended to serve as reference standards for use in the identification of paper fibers and in estimating the fiber composition of paper.

A study of the manufacture of mimeograph paper from repulped paper stock has been made by the Bureau of Standards. The stock used was made from wood fiber book papers digested in a rotary boiler with a small amount of soda ash, washed and defibred in a beater, and run into paper without bleaching. Several different machine runs were made using varying quantities of clay filler and rosin size, and varying the finish.

Mimeographing Paper Made of Repulped Stock

Mimeographing tests of papers were made, the best results being obtained with paper containing small quantities of rosin size and clay with a rough machine finish having a slight calendering.

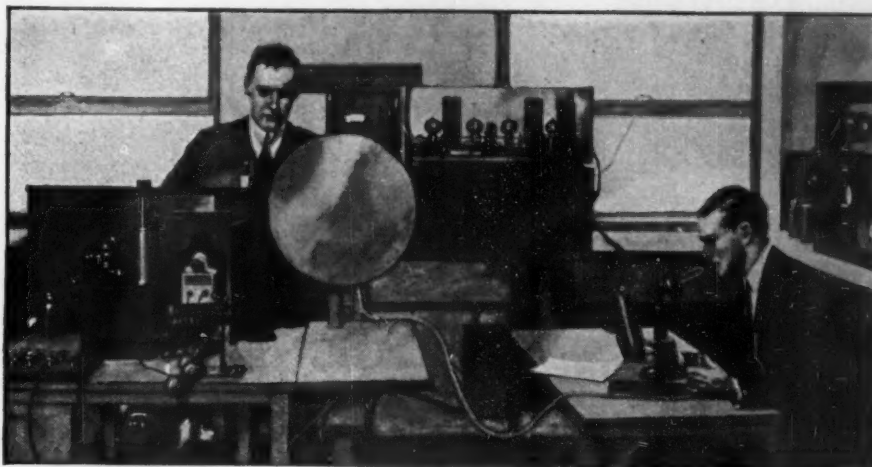
Comparative experiments with different glues and with casein for paper coating, reports the Bureau of Standards, have established the fact that the relative quantities of glue and casein required vary almost directly with the grade of glue. The ratio for a high grade hide glue, the bureau explains, is 2 parts of glue to 3 parts of casein. That ratio permits the use of much smaller quantities of glue than were formerly thought necessary and leads to the possibility of producing a more flexible paper than could be obtained otherwise, according to the bureau's findings.

Use of Glue and Casein for Paper Coating

The bureau asserts that the practical limit to which the decrease in the quantity of glue can be pushed is set by the clay-suspending property of the glue—for illustration, a certain hide glue was found to be exceptional in that it permitted working with only 8 per cent of glue based on the weight of the clay.

Lengthening the building season in the United States to include the winter months is advocated by Secretary Hoover as a means to mitigate seasonal ups and downs in the construction industry, of stabilizing employment in the building trades and lowering costs of production and building.

Secretary Hoover's statement is based on and is supplemental to the report and recommendations of the Committee on Seasonal Operation in the Construction Industries, appointed by him



In the Bell System laboratories speech sounds are recorded on the oscillograph with a view to their subsequent analysis

The service of knowledge

The youthful Alexander Graham Bell, in 1875, was explaining one of his experiments to the American scientist, Joseph Henry. He expressed the belief that he did not have the necessary electrical knowledge to develop it.

"Get it," was the laconic advice.

During this search for knowledge came the discovery that was to be of such incalculable value to mankind.

The search for knowledge in whatever field it might lie has made possible America's supremacy in the art of the telephone.

Many times, in making a national telephone service a reality, this centralized search for knowledge has overcome engineering difficulties and removed scientific limitations that threatened to hamper the development of speech transmission. It is still making available for all the Bell companies inventions and improvements in every type of telephone mechanism.

This service of the parent company to its associates, as well as the advice and assistance given in operating, financial and legal matters, enables each company in the Bell System to render a telephone service infinitely cheaper and better than it could as an unrelated local unit.

This service of the parent company has saved hundreds of millions of dollars in first cost of Bell System telephone plant and tens of millions in annual operating expense—of which the public is enjoying the benefits.



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By JULIUS H. BARNES

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The many men who have bought and read it, tell us that it is the book bargain of the year. You'll say the same thing, probably, and what a glorious night's reading is before you!

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Washington, D. C.

Attached is check* for \$1.00, for which kindly send me a copy of "The Genius of American Business," by Julius H. Barnes.

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9-24

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as an outgrowth of the President's Conference on Unemployment, called in 1921. He urges elimination of wastes caused by seasonal idleness through development of information as to probable future demands for labor and materials, and the development of the custom of scheduling construction and repair work with reference to that demand. He reiterates the Committee's finding that custom rather than bad weather is responsible for building trades workers in most American cities working less than nine months.

Activity in construction bears a close relation to general industrial conditions and irregularity in the ebb and flow in demand for construction seasonally to a large degree affects economic stability, Mr. Hoover believes. Characterizing construction as the balance wheel of American industry, he placed the value of yearly construction in the United States at more than five billion dollars and the number of workers engaged in construction and manufacturing industries allied to building at millions.

In bulletin 227 the Bureau of Mines has endeavored to present a permanent record of the development of the safety lamp for mine use. In addition to the historical résumé of the development of the safety lamp, the bulletin includes information on Federal and state regulations governing the use of safety lamps in mines, data on the design, operation and maintenance of flame lamps, a description of lamp-testing stations, and data regarding tests of flame safety lamps in gaseous atmospheres, tests of internal igniters, candle power measurements, investigations of gauze fabrics, and tests in dust-laden atmospheres. A special chapter is given to the subject of methane detection.

Copies of the bulletin 227, "Flame Safety Lamps," are obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 50 cents each.

A large number of commercial papers used for the outlook apertures of window envelopes have been tested by the Bureau of Standards to determine the transparency and the gloss. High transparency and absence of glare are most important requisites of papers used for the windows of envelopes.

Very few samples met both requirements, the bureau reports, high transparency usually being accompanied by pronounced glare. Samples which were satisfactory in both qualities, the bureau points out, were produced by processes especially modified to give the desired results.

To obtain a list of acceptable dry cells for the use of government purchasing officers the Bureau of Standards will test sample cells selected by a member of its staff at the plants of manufacturers cooperating in the preparation of the list. An inspector is now selecting cells for test. A second lot of cells will be selected in December.

The practice outlined, the bureau believes, will provide a continuous qualification test of dry cells with benefit to manufacturers of cells, as well as to government purchasing officers.

Cylinders of neat gypsum and sanded gypsum treated with various waterproofing materials and exposed to the weather 2 to 3 years have been tested at the Bureau of Standards for loss or gain in weight and absorption.

Cylinders of neat gypsum and those treated with barium hydroxide exposed to the weather for 6 months have been tested for the same properties, and for compressive strength. The cylinders treated with barium hydroxide show considerably less erosion than those of neat gypsum—they seem much

The History of Safety Lamps for Mine Use

Kinds of Paper for Windows of Envelopes

Dry Cell List Wanted for Government Use

Exposure of Waterproofed Gypsum Blocks

harder, have gained considerably in weight, and decreased in absorption, but the compressive strength has declined, the bureau finds.

National standard petroleum oil tables are presented in Circular 154 issued by the Bureau of Standards. The tables are based on the results of an investigation made by the Bureau of Standards and included in Technologic Paper No. 77, but they have been supplemented by the results of an investigation of the rate of expansion of oils at temperatures beyond that originally considered.

Petroleum Oil Tables and Baumé Formula

The formula which expresses the relation between the two so-called Baumé scales for light liquids and six conversion tables are included.

The paper was prepared by the Bureau of Standards and approved by the American Petroleum Institute, the Bureau of Mines and the Bureau of Standards.

Copies of the circular are obtainable from the Superintendent of Documents, Government Printing Office, at 30 cents a copy.

To ascertain the extent of the supervision of requirements governing milk bottles and the uniformity of those requirements, the Bureau of Standards has made a compilation of relevant state laws, rules and regulations. The compilation

Regulations Relating to Milk Bottles

now includes 27 states. In 17 of these states the requirements are defined by law, and in the other 10 rules and regulations made under authority of law are in force. Inquiries have been sent to states not included in the list, and additional information on the subject will be compiled as soon as it is available to the bureau.

A 12-element recording strain gage has been constructed in the shops of the Bureau of Standards for use in measuring strains in highway bridge members. Field tests of the gage are now in progress. In making the tests two members of the bureau's staff are assisting a committee of the American Society of Civil Engineers in cooperation with the Iowa State Agricultural College and the Iowa State Highway Commission.

Recording Gage to Measure Bridge Strains

Increased use of electrical power for industrial purposes is indicated in the report of the engineer sub-committee of the Northeastern Superpower Committee, of which Secretary Hoover is the chairman. The report recommends the extension of interconnection between different systems, construction of large steam plants strategically located, and development of large hydroelectric projects, and asserts that the recommended developments would accomplish an annual saving of 50,000,000 tons of coal, lower production cost for power, saving of human effort and the availability of electricity to farms.

Superpower Plan for States in Northeast

The report proceeds from a conference held in New York City, with the consent of President Coolidge, between Secretary Hoover and the chairmen of the state utilities commissions of the eleven northeastern states. The conference led to the formation of the Northeastern Superpower Committee, which included representatives of the states and of the Federal Government. An engineer sub-committee began a comprehensive survey of the technical aspects of superpower development. Its report, now made public, will be presented to the full committee.

The survey of power facilities and power needs made by the engineer sub-committee includes the states of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland and the District of Columbia. Also is included some reference to the states of Ohio, Virginia and West Virginia because, under certain circumstances, power in those states would be contributory.



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Recent Federal Trade Cases

THE "PITTSBURGH PLUS" price system is an unfair method of competition in violation of the Federal Trade Commission act and involves price discrimination in violation of the Clayton act, contends the Federal Trade Commission in announcing the issuance of a prohibitory order directed to a steel producing corporation and several of the subsidiary companies.

The "Pittsburgh plus" price system, explains the commission, is the system used by the corporation and its subsidiaries in quoting prices on rolled steel products manufactured at and shipped from the plants outside Pittsburgh at a Pittsburgh base price plus an amount equivalent to the amount of the railroad freight charge on the products from Pittsburgh to the customer's destination were the products actually shipped from Pittsburgh. Under this system, says the commission, the corporation pays the actual freight charge on the products from its mills where the products are manufactured to the customer's destination, but the customer pays the freight from Pittsburgh.

For the steel producers to charge discriminatory prices for their steel is unfair competition, holds the commission, in that steel users against whom the discriminations operated were prevented from competing with those whom the system favored. The very existence of "Pittsburgh plus" prices, the commission charges, proved that there was no price competition among the steel producers. The commission took the position that if the steel producers ceased to produce steel at Pittsburgh, the "Pittsburgh plus" system could nevertheless continue, that "Pittsburgh plus" prices were charged utterly regardless of supply and demand, and that the only thing which eliminated the "Pittsburgh plus" system for short intervals was price competition. The commission could find no merit, it says, in the contention that the free operation of supply and demand was responsible for "Pittsburgh plus" prices, but held on the contrary that the system restrained the free operation of supply and demand. According to the commission, the "Pittsburgh plus" system as a systematic device did not originate until 1903, after the formation of the corporation, and it originated as the basis for the alleged price-fixing agreements of the pools and trade meetings. Before the system was used, continues the commission's statement, the steel mills sold steel f.o.b. their respective mills, and the "Pittsburgh plus" prices always originated by agreements to fix prices. The commission also found, it reports, that prices made as the "Pittsburgh prices" are alleged to be made are not prices made in good faith to meet competition.

The text of the commission's prohibitory order requires that the corporation and its subsidiary companies discontinue

Quoting for sale or selling in the course of interstate commerce their rolled steel products known as plates, bars, structural shapes, sheets, tin plates, wire and wire products at "Pittsburgh plus" prices.

Quoting for sale or selling in the course of interstate commerce their rolled steel products upon any other basing point than that where the products are manufactured or from which they are shipped.

Selling or contracting for the sale of or invoicing steel products in the course of interstate commerce without clearly and distinctly indicating in the sales, or upon the contracts or invoices how much is charged for such steel products f. o. b. the producing or shipping point, and how much is charged for the actual

transportation of said products, if any, from such producing or shipping point to destination. Discriminating in the course of interstate commerce, either directly or indirectly, in price between different purchasers of their rolled steel products known as plates, bars, structural shapes, sheets, tin plate, wire and wire products sold for use, consumption or resale within the United States or any territory thereof or the District of Columbia or any

insular possession or other place under the jurisdiction of the United States, where the effect of such discrimination may be to substantially lessen competition in any line of interstate commerce; including competition among the steel producers, or steel users, or both; provided, however, that nothing herein contained shall prevent discrimination in price between

This article outlines some of the charges, findings and orders issued by the commission in consideration of complaints proceeding from trade practices in connection with:

English Broad-cloth
Furniture
Groceries

Steel
Syrup
Tacking Machines

purchasers of said products on account of differences in the grade, quality, or quantity of the commodity sold, or that makes only due allowance for difference in the cost of selling or transportation, or discrimination in price in the same or different communities made in good faith to meet competition. The use by respondents in the course of such interstate commerce of the system of Pittsburgh plus prices for their said steel products, manufactured at and shipped from points outside of Pittsburgh, which prices are their f. o. b. Pittsburgh prices plus amounts equivalent to what the railroad freight charges on such products would be from Pittsburgh to each different destination if such products were actually shipped from Pittsburgh, shall be deemed to constitute a violation of their order. The use by respondents in the course of such interstate commerce of any system similar to that of the Pittsburgh plus system shall likewise be deemed to constitute a violation of this order. The practice by respondents of selling or contracting for the sale of said products in the course of interstate commerce upon any other basing point than that where the products are manufactured or from which they are shipped, shall be deemed to constitute a violation of this order.

Commissioner Gaskill dissented to the issuance of the order and filed a dissenting memorandum, in which he wrote:

The law does not require absolute freedom of competition. Nor does the law enjoin the observance of sound economic principles. The Federal Trade Commission has not been given a mandate to establish any more the one than the other. It has to do solely with the legal concept of competitive requirements however short that may be of the true standard. And if the laws permit the use of unsound economic principles, it seems that this tolerance is the act of the body of citizens themselves and must continue until a clearer understanding is demonstrated in terms of a legislative declaration. That satisfaction of the legal requirements may be deemed to fall short of economic justification does not increase this commission's powers nor enlarge its duties. Economists of established reputation believe that the selling policy presently under consideration is capable of producing in kind practically all of the effects which this record illustrates. In the present instance it seems these effects are magnified by the dominance and strategic position of the respondent in steel production, by the fact that the product of the steel industry is the raw material of a subsequent industry, and that the respondent is engaged in both

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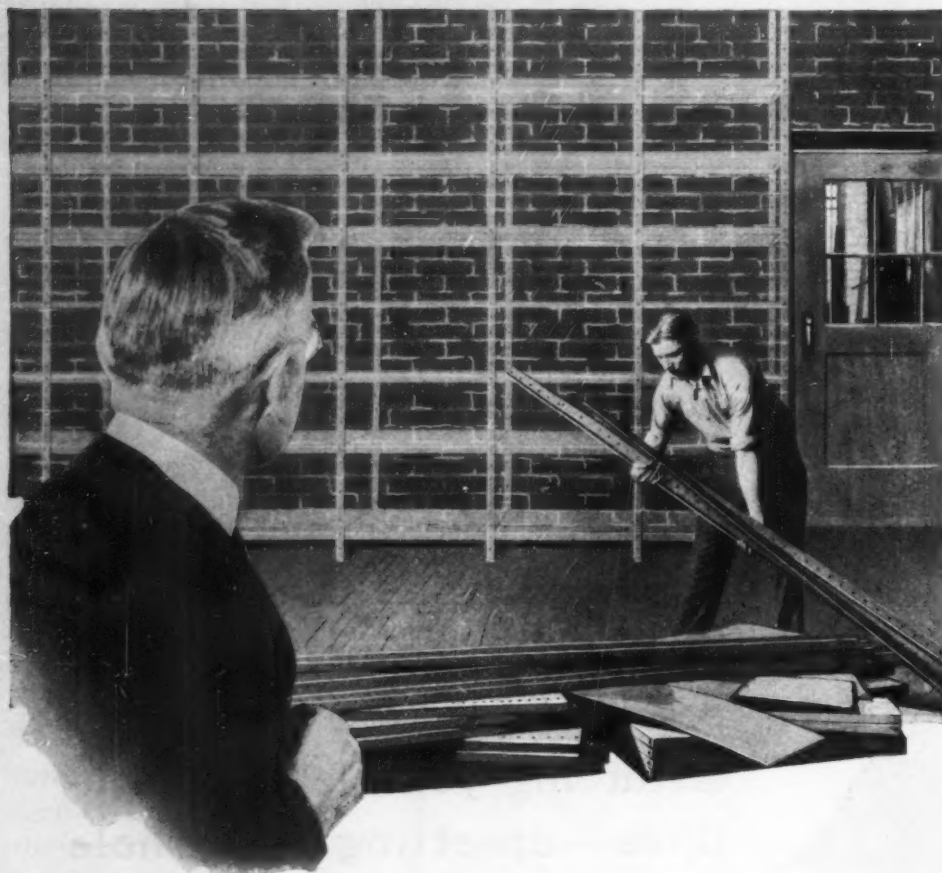
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phases. Given the necessary quantity values in causation, it seems to be the economist's view that such effects as are here presented are inherent in the economic policy which is being used.

However, it seems to me that the effort to apply a remedy through the Federal Trade Commission act confuses the issue. If the economists are right, the requirements of the situation will be met only by a legislative recognition of the necessity for a more exact statement of the scientific relation between business and economics and the declaration of that relation in the form of a law of general application.

A COMPLAINT involving alleged misleading statements made by a distributor of tacking machines and staples has proceeded to the issuance of a prohibitory order. The order is directed to a business man of New York City, trading as a sales company. His company sells tacking machines and staples used by factories, grocers, hardware dealers and others to fasten cards, address slips, and shipping directions upon commercial containers.

The commission's findings state that the Regat tacker, sold by the New York distributor, and the Acme tacker, a competing product, have the same general principles of operation, and that the Acme tacker is superior to the Regat tacker both in material and in manner of operation. The commission found, it reports, that the New York distributor represented to the trade and to the general purchasing public that the Acme tacker was no longer being made, and the Regat machine had taken its place. This statement, the findings assert, was not true. Other statements said to have been made by the New York distributor and which the commission regards misleading are that the distributor represented that the Markwell Manufacturing Company, Inc., an agent for the Acme tackers, had gone out of business and was no longer selling the Acme product, certain statements in connection with the Botts Marking Ink Company, Inc., also an agent for the Acme company, and that the distributor used as one of its business names the name Acme Tacking Company without authorization to do so from the Acme Staple Company, the manufacturer of Acme tacking machines and staples.

A MANUFACTURER of a concentrate or syrup known as "NuGrape" is cited by the commission because it believes the manufacturer is somewhat wide of the truth in its advertising and labeling. The complaint charges that in the marketing of "NuGrape" the manufacturer, both in its advertising matter and pictorial representations, gives to the general purchasing public the impression that its product is composed in whole or in part of the juice of the grape. The commission contends that the product is not made of the juice of the grape or of the fruit itself. A considerable number of competitors are manufacturing beverages composed of genuine grape juice or of the fruit, the commission asserts, and holds that the manufacturer's method of advertising and labeling its product diverts trade from the truthfully marked goods of competitors—a method of merchandising that is unfair competition, the commission believes.

THE USE of the words "English broadcloth" in connection with the advertisement and sale of shirts made from cotton cloth manufactured in America is declared by the commission to be an unfair business practice. Accordingly, the commission has issued an order which requires a New York firm to discontinue using the words "English broadcloth" as a label or brand for shirts or other garments unless the garments are made from broadcloth made in and imported from England.

According to the commission's findings, a new kind of cloth possessing a distinctive appearance was imported from England and became known in the United States as "English broadcloth." The cloth, the commission explains, was made from the very finest grade of Egyptian long staple cotton yarn and was highly mercerized. The cloth became very popular for use in the

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Two RETAILERS of furniture in New York City are cited by the commission for alleged unfair methods in the sale of furniture. The complaint charges that the dealers advertise and represent themselves to be the representatives of furniture manufacturers and that in buying from them the purchaser is buying direct from the factory, thereby saving the middlemen's profit. The furniture sold by the two dealers, says the commission, is bought from manufacturers and sold to the public at a profit and at prices substantially the same as the retail prices prevalent in the trade for furniture of like kind and quality. The charge is also made that through advertisements, signs, and placards the dealers create the erroneous impression that furniture bought from them is manufactured in the city of Grand Rapids, Michigan. The furniture so represented by the dealers, asserts the complaint, is for the most part made at places other than Grand Rapids, and by manufacturers not connected with the furniture industry of that city.

TWO COMPLAINTS of interest to the grocery trade, particularly in the states of Wisconsin and Michigan, have been issued by the commission. The complaints are directed to a wholesale grocers' association, its officers and members; a jobbers' club, its officers and members; and several grocery companies. The complaints allege that the organizations cited regard the channel of distribution beginning with the manufacturer or producer to the wholesaler, from the wholesaler to the retailer, and from the retailer to the consumer, as the only proper and legitimate channel of distribution of the products in which they deal. All other methods of merchandising are regarded as "irregular" and "illegitimate" channels of trade, the commission says.

The complaints also allege that the organizations have undertaken and cooperated to confine the distribution of groceries to their so-called "regular" and "legitimate" channels of trade, and to prevent "irregular" dealers, especially cooperative purchasing enterprises of retail dealers, from obtaining groceries and allied products from the manufacturers and producers. Persecution and harassment of "irregular" dealers by various methods are also among the charges.

A COMPLAINT against a New York City jobber of silverplated ware alleges that he has sold quantities of silverplated ware upon which he has caused to be stamped the words "Sheffield Made in U. S. A.," and other similar designations including the word "Sheffield." The complaint further charges that the silverware so stamped is not made in Sheffield, England, and that the jobber's representation is misleading, and also has the tendency to mislead and deceive the consuming public into the belief that the jobber owns, controls, or operates an establishment in which silverware is manufactured.

There has long existed among the commercial interests of the country a need for a medium which could present to them information on business problems of the day, and give constructive suggestions as to how they might be met. THE NATION'S BUSINESS has been the leader in this field.—HENRY F. DOOLEY, Faribault, Minn.

The first copy of THE NATION'S BUSINESS has just reached me. If other copies are equal to the sample it classes away up.—HORACE A. LOCKWOOD, Oak Park, Ill.

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New York Edison Company's Power Station on East River at 38th Street

Photo by Fairchild Aerial Camera Corp.

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Thumbnail Book Reviews

The Source Records of the Great War, by Parke, Austin & Lipscomb. Distributed by the Official Source Records Fund, Hudson Terminal Building, New York City.

All sorts of appraisals of the World War have come from the publishing houses, and it is easy to think of some of them as exhaustive, but the war was too big to be exhausted by any consideration between the covers of a book. So it is that a source record of the war has been compiled to good purpose under the editorship of Charles F. Horne and Walter F. Austin.

The history thus presented includes in its seven volumes complete narratives in the words of men and women who were close to the war— allies, neutrals, and enemies. They tell what they saw, what they did, what they felt. Documents from government archives give a desirable substance of authority. Brevity of interpretative and connective text has served the comprehensiveness of the subject matter. Conflicts of statement and opinion are thoughtfully indicated with introductory notes. The chronology of events has been observed in the topical divisions, an arrangement that provides a continuous narrative of the war as it developed from week to week.

The indexing is well and thoroughly done. A rich art binding is embellishment to excellent typography.

The Great Events of the Great War is a work of significant interest to the general reader as well as the student of history.

The New Science of Work, by Christian D. Larson. Thomas Y. Crowell Company, New York. 1924.

Looking at work in a new light, the author of this book points out that it is something to be sought after rather than shunned, and that man can develop himself at the same time he is producing things. He tells us that "the chief purpose of work is not to produce things but to build the man."

Problems of Public Finance, by Jens P. Jensen. Thomas Y. Crowell Co. 1924.

"Intended primarily for use in elementary courses" the publishers also add that "it should be on the desk of progressive public officials and extensive taxpayers." Public expenditures, public revenues, public credit and fiscal administration are discussed in general terms and from the angle of federal, state and municipal governments.

Factory Management, by Henry Post Dutton. The Macmillan Co., New York, N. Y. 1924.

The "professing" business is widening out. What would a university of a generation ago have said of an "Associate Professor of Factory Management." That's Mr. Dutton's job at Northwestern University and he has prepared a 300-page textbook with appropriate problems at the back.

Psychological Tests in Business, by A. W. Kornhauser and F. A. Kingsbury. The University of Chicago Press, Chicago. 1924.

Business men spend considerable money in trying to fit square pegs into round holes. Round pegs also come to them for fitting, but business men do not always know all pegs for what they are. Many tests have been devised to separate square pegs from round pegs. Some of the tests are described and appraised by Mr. Kornhauser and Mr. Kingsbury in collaboration. They define psychological tests, tell the different kinds, give the number of concerns using tests, and the purposes served by the tests. The limitations and misuses to which tests are susceptible are emphasized throughout the book, although the authors are optimistic in their estimates of proved and positive values. The text is addressed to business executives, and to students of personnel practice and applied psychology.

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EIGHT to sixteen persons may handle your letter; from the time that it is dictated, in your office, en route and at destination—with varying degrees of care.

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"The Correct Use of Bond Papers" interestingly covers this subject. The booklet and samples of Eagle-A Bond Papers will be promptly sent you upon request.

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Letterheads	1	2	3
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Statements	1	2	3
Checks	1	2	3
Drafts	1	2	3
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Purchase Orders	1	2	3
Contracts	1	2	3
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Coupon Bond A strictly First Grade, Pole Loft Dried Paper, made from new white hard rags. Will retain strength and color indefinitely. Supremely impressive in appearance, with the "feel" and crackle found only in the very highest class of Bond Paper. Made in White and Six Colors

Agawam Bond A High Grade, Pole Loft Dried Paper, containing a very high percentage of the best new rags. Clear white in color, of impressive appearance, and designed for general use where a very substantial paper of extremely long life is desired. Made in White only

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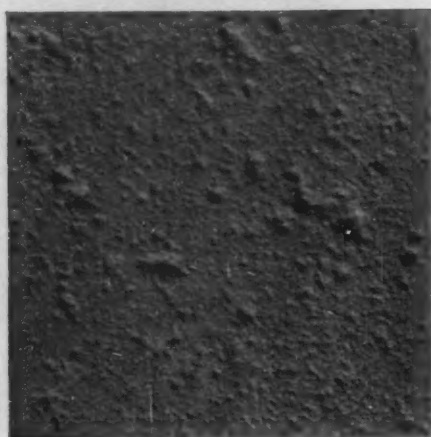
Norman and Telephone Bond See Sulphite Pulp Papers, recommended to be used for temporary purposes only. Made in White and a wide range of Colors adapted to Factory and Office Forms. Norman Bond is a No. 1 Sulphite Grade. Telephone Bond is a No. 2 Sulphite Grade.

A request on your letterhead will bring a copy of this chart and the booklet "The Correct Use of Bond Papers"



NORTON

FLOORS



Plain concrete floor

Concrete floor with Alundum Aggregates
imbedded in surface

(One inch in pictures equals 1 1/4 inches on floors)

An Interesting Comparison of two factory floors subjected to heavy trucking

The two floor pictures are from locations in a factory where heavy trucking has caused a serious flooring problem. The illustration on the left is a typical section of plain concrete; the other is concrete with Alundum Aggregates imbedded in the surface.

The two floors have been subjected to approximately equal wear. With the plain concrete pitting is quite pronounced and the floor is wearing away rapidly. The floor of Alundum Aggregates is still in excellent condition and good for many more years of hard service.

The addition of Alundum Aggregates to concrete results in a floor that is well adapted to rough and heavy industrial service. Actual

measurements in the case above have shown the wear per year of this floor to be but one quarter that of the plain concrete.

There are other types of Norton Floors suited for industrial needs. There are Alundum Floor and Stair Tile for floors, ramps, platforms and stairs, Alundum Ceramic Mosaic Tile for lunchrooms, washrooms and lavatories and Alundum Aggregate Tile and Treads for entrances, lobbies and stairways of administration and similar buildings where attractiveness or color harmony is desirable. All are made durable and slip-proof by the same Alundum Abrasive used in the well-known Norton Grinding Wheels.

NORTON COMPANY, Worcester, Mass.

New York

Chicago

Detroit

Philadelphia

Hamilton, Ontario



T-111



For Quick and Ready Reference:

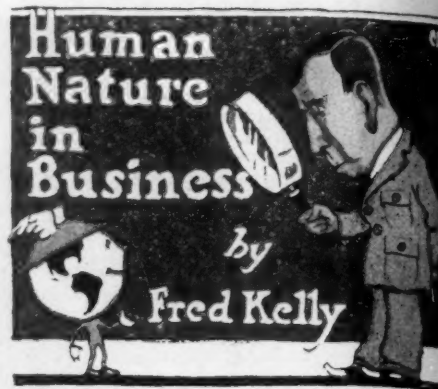
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Here is a binder, made by Molloy especially for preserving back issues of The NATION'S BUSINESS.

It's very attractive with black leather cloth cover embossed in gold, and highly practical—the neatest, quickest, easiest way of putting your hand on a particular issue of The NATION'S BUSINESS. Most reasonably priced, too, at \$2.50.

**The NATION'S BUSINESS
WASHINGTON**

When writing to NORTON COMPANY please mention the Nation's Business



A CORPORATION operating chain shoe stores recently made an investigation of their business to learn where they were wasting time and effort and how to sell more shoes without increasing the number of clerks. They made astonishing discoveries. One of these was that a definite cause of delay in selling shoes is the common practice of trying on only one shoe instead of two. In other words, a sale is more quickly made if the clerk has the customer try on *both* right and left shoes. The explanation is that with a new shoe on one foot and an old, more comfortable shoe on the other foot, the customer is slow making up his mind. He says to himself: "I don't know about this. Oh, if only the new one felt as good as the old one!" Then he tries on two or three other designs, hesitating each time, because of the contrast between the feel of the old and the new, before he finally buys. If he has new shoes on both feet, he has no chance to make such a comparison, and is perhaps pleased with the first pair he tries on.

The reason for not trying on both shoes had been that clerks thought it would take too much time. Experiments showed that with a little practice a clerk could take off, put on and tie two low shoes in as little as 15 seconds. Even with high shoes he could take off the old pair, put on new ones and lace them up in 36 seconds.

Another discovery was that much confusion results from identifying shoes in the show window by number. Many customers, after picking out a shoe in the window, are unable to remember the number correctly while walking back into the store. Part of this difficulty is due to the fact that the number and price are often in similar sized type. Experiments proved that if the shoes in the window were identified by a *name* instead of by number, the customer was far less likely to forget which style he desired. Names are naturally more easily remembered than mere numbers.

MANY unimportant looking clerks in department stores have fairly large incomes, due to their ability to sell rapidly. Instead of dilly-dallying with a customer all afternoon, they satisfy him in a few minutes and go on to the next customer, thus boosting the size of their sales commissions. A clerk in a men's readymade clothing department recently confided to me that he is ever on his guard against the customer who would engage him in general conversation. This takes up too much time and delays completing a sale. He is careful not to offend a customer, but he has developed what he calls conversation stoppers. One afternoon, I heard a customer say to him, while looking at a golf suit: "I got into an unusual game out at our club yesterday."

That was a signal for the clerk to say: "Indeed. What was that?"—whereupon

the customer would talk for possibly twenty minutes.

But this clerk merely replied with disarming politeness:

"I can't understand what people tell me about golf yet. But I'm crazy to learn the game. I'm taking my first lesson next Saturday."

There in only a second or two he had given the customer the idea that it was no use to tell him anything about a golf game, as he couldn't understand it. And yet he didn't offend the golf enthusiast, because he admitted that he would like to know about it and intended to take lessons. The customer doubtless went away satisfied that the clerk was a good fellow.

On another occasion I heard him use a similarly brief conversation stopper.

"What did you think of the way the big fight turned out?" inquired a loquacious customer, referring to a recent prize fight.

"Haven't had time to read the details yet," promptly answered the clerk, "but I've got the papers saved to read about it tonight."

Thus he showed that, while he would love to talk about the fight all afternoon, he was not yet familiar enough with it to carry on an intelligent conversation.

The clerk tells me that his conversation stoppers save him several thousand dollars worth of time each year.

A WELL known banker in an eastern city is looked upon as a great philanthropist and his name is a symbol of all that is noble. Strong men stop on street corners to extol his virtues. Yet I had some correspondence with him several years ago, about buying a house he was handling for an estate, and when the deal was closed he charged me for every stamp he had used on letters he wrote me. I insist that a man who watches pennies that closely can't be such a lovely character as his neighbors suppose.

MANY newspapers struggle to crowd more and more headlines on the first page. Frequently there are not more than three or four lines of text until one must turn over to an inside page to finish the news item. I often wonder why it wouldn't be a good plan to have the first page of such papers made up of *nothing but* headlines, with details on the inside.

I HAVE long felt that if readers of magazines were a little lazier advertising would be on a much higher plane. The trouble is that most people are energetic and respond too easily to stimuli—even including poor advertising. Advertising is so effective and profitable that it hasn't been necessary to do it very well. Even a poor advertisement will often pay for itself. But if people were less energetic and hence less easily moved to go and do something or buy whatever the advertisement tells them to, then advertising would have to be done more cleverly before it would be profitable. Today many successful advertisements insult a reader's intelligence. Only yesterday I read an ad that was intended to give the impression that if only one buys the right kind of chewing gum, success in life is positively assured. It seems strange that such ads can bring results. Yet they evidently do.

IF ONE were to cut all the automobile advertisements out of a magazine, omitting the names of the cars, and shuffle them up, it would be found that almost any of the ad-

The Roller Towel and the Public Bar of Soap



In modern offices, schools, and factories everywhere the roller towel has long ago been banished as a known germ carrier. The public bar of soap must also go, for it, too, spreads disease. Liquasan, the Liquid Soap, is the answer, for it is good quick lathering pure soap but touches nobody's hands but yours.

The Modern Way



Individual dispensers or gravity tank systems are supplied by Liquasan dealers at actual cost. Liquasan is sold at one standard price through leading Office Equipment Dealers everywhere. If your dealer hasn't it, send us his name and we will see that your order is promptly filled.

LIQUA-SAN

The Liquid Soap

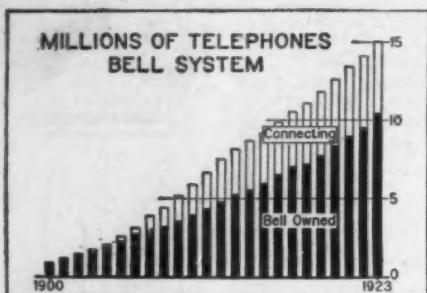


THE HUNTINGTON
LABORATORIES, Inc.
HUNTINGTON, IND.



When writing to THE HUNTINGTON LABORATORIES, INCORPORATED, please mention the Nation's Business

The Security of Usefulness



THE Bell System's net gain in stations owned by it in 1921, was 580,176; in 1922, 600,658; and in 1923, 891,342.

Over 900,000 telephones will be added this year at the present rate of growth. This growth evidences the usefulness of the service.

Year by year the number of people nearby or at great distances who can be reached by telephone, increases by hundreds of thousands. The value of the telephone is increased as the service expands.

The usefulness and value of the service form the basis of the Bell System structure.

They have resulted in steady earnings and an unbroken dividend record of over forty years.

A. T. & T. Company's stock pays 9% dividends. It can be bought in the open market to yield over 7%. Write for pamphlet, "Some Financial Facts."



BELL TELEPHONE SECURITIES CO. Inc.

D.F. Houston, President
195 Broadway NEW YORK



"The People's Messenger"

vertisements would do about as well for one car as for another. Surely this is poor advertising. It must be a poor car about which nothing of specific individual merit can be set forth.

A GROCER in my neighborhood used to boast about what a big business he was doing. He thought this was a good way to put up a bold front and scare away competition. But it had the opposite effect. Another grocer decided that there must be enough business there for two. Now with two groceries dividing the neighborhood trade neither is able to make much money.

MANY hotels in sending meals to guest rooms now place a slip containing a list of the dishes, silverware and linen on the tray. This is said to have greatly reduced the amount of petty thieving by guests. The invoice slips serve as a gentle reminder that the hotel people know exactly what was on the tray and will expect to find the articles all there when the tray leaves the room.

THE SIMMONS Hardware Company weighs on a small scale every day the sales slips that have come in by mail from their salesmen in all parts of the United States. Having learned the total weight of these slips they can tell within a few pennies of the money value of the day's sales. Previous experience has shown that the thing averages up. Every ounce of sales slips will represent a certain amount of money. Sears, Roebuck and other great mail-order houses do the same thing. After weighing an incoming mail, they can estimate, by averages, how many checks may be expected and what the average amount of these checks should be.

CHARLIE BRYAN in his foolish looking little black skull cap reminds me how prevalent those caps once were and now how scarce. A hat store clerk tells me that a customer wanting such headgear would have a hard time finding one. Likewise I learn that old-fashioned matting such as we used to put on the floor of the spare bedroom is almost extinct. It has gone the way of pug dogs and mustache cups.

EVERY business institution has employees who will never amount to much because they always do exactly as they're told. They follow rules because they haven't enough originality or initiative to know when even the best of rules should be broken. I went recently to the office of a thriving evening newspaper in a famous city to place an advertisement about a dog. One of my matron dogs was about to have puppies and I wished to find a good farmer who would take her temporarily and raise the puppies for a share of the litter.

"Put this under the department of 'Dogs For Sale,'" I told the young man behind the counter.

"But it *isn't* exactly a dog for sale," he objected.

"I know, but it's nearer to that than any other heading in your paper. The man interested in this would be one who has thought of buying a dog."

The lad shook his head. "I can't put it there," he insisted. "It would be against the rules."

"Then where do you suggest putting it?" I inquired.

"Under 'Business Opportunities,'" he replied.

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PATENTED 1920



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The MAGNIWATE is an art object scientifically made. It magnifies, holds papers in place and radiates cheer. Its powers of magnification entitles it to microscopic classification. The upper convex lens is in focus at rest without moving. A dime assumes the size of a half dollar.

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